

**SCHOOL DISTRICT
OF
TOWNSHIP OF FAIRFIELD**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Township of Fairfield Board of Education

Fairfield, New Jersey

For the Fiscal Year Ended June 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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For the Fiscal Year Ended June 30, 2015

Prepared by

Fairfield Township Board of Education

Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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INTRODUCTORY SECTION

FAIRFIELD TOWNSHIP PUBLIC SCHOOLS
375 GOULDTOWN WOODRUFF ROAD
BRIDGETON, NEW JERSEY 08302
Phone: (856) 453-1882 Fax: (856) 453-7189

Dr. James J. Ruffin
Interim Superintendent

Janecia Smith
Business Administrator

November 23, 2015

Honorable President and
Members of the Board of Education
Fairfield Township School District
Cumberland County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Fairfield Township Public School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the state Treasury Circular Letter 04-04 and/or 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Fairfield Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Fairfield Township Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for handicapped youngsters.

The District completed the 2014-2015 fiscal year with a June enrollment of 626 students, which is an increase of 6 students from the previous year's enrollment of 620. The following details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	626.0	.96%
2013-14	620.0	3.00%
2012-13	602.0	(1.79)%
2011-12	613.0	(.32)%
2010-11	616.0	5.21%
2009-10	585.5	(6.42)%
2008-09	625.7	3.27%
2007-08	605.9	4.21%
2006-07	581.4	9.55%
2005-06	530.7	1.45%

2. ECONOMIC CONDITION AND OUTLOOK:

Fairfield Township continues to be a rural community whose main business remains agriculture. The economic condition of the community is hindered by a poor ratable base and the reality that only 54% of the community property is taxable. The remaining 46% is either wetlands or property under restriction by Federal and State authority.

Single family housing permits grew significantly in 2006 for the first time in many years, but real growth remains quite limited and the reality of any increased tax base is offset by additional State and non-profit purchases. As a result, the community shares in the County problems of high unemployment and a high welfare presence. The fact that there are two large prisons in the area makes the hope of further growth speculative.

3. MAJOR INITIATIVES:

Preschool: Our preschool program continues to grow. It serves three and four year old preschool age children. Research has demonstrated that programs such as ours have the potential of having significant benefit to our children. The state approved curriculum offers our students a program rich in ELA, mathematics, socialization, positive behavior growth, highly active hands on participation components and developmentally pertinent physical activities. We continue to meet and exceed expected outcomes. All class sections are currently filled and we have a waiting list of approximately 19 students. We have added an additional classroom for the 2014-15 school-year for a total of 8 classrooms.

Math: Our district continues to work with constituent districts and the high school district to articulate the mathematics curriculum. Through revised, up-to-date curriculum and articulation among school districts and in conjunction with our high school district we are able to offer aligned courses. We have implemented various professional workshops for our staff to assist in providing enhanced, best practice strategies in their instructional practices. Students in eighth grade, who qualify, are now able to take an Algebra course before attending high school. The district also continues to offer a summer school program which emphasizes both math and language arts.

Literacy: Again, we continue our efforts in articulation of curriculum with constituent districts as well as the high school district. We continue our efforts to increase student ELA proficiency. Professional development is also a target to continued improvement of instruction. We have also implemented Guided Reading, best instructional practices, pre/post assessments and benchmark assessment in order to promote student growth. Our summer school program to enhance student progress emphasizes both language and mathematics instruction.

Facilities: Our facility provides classrooms to accommodate students PK – 8. We continue efforts in completing the facility project through demolition of the out-of-date, closed school building adjacent to our new school facility. In accomplishing this goal we look forward to providing students with outdoor fields that promote not only the cross curricular standards but incorporate community use. The fields will offer additional physical education program activities for which all of our students will benefit.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. DEBT ADMINISTRATION:

On March 15, 2004, the voters of the school district approved a referendum to construct a new elementary school. The total amount approved was \$4,981,000, of which principal payments of bonds in the amount of \$250,000 were made during the 2013-14 fiscal year, resulting in a balance in bonds payable as of June 30, 2014 of \$3,206,000. On September 15, 2014, the District refunded the remaining \$3,150,000 of these bonds.

On December 8, 2009, the voters of the school district approved a referendum to construct an addition, as well as undertake various improvements, acquire equipment and make renovations to the elementary school. The total amount approved was \$3,984,772, of which \$1,984,772 will be funded by a grant from the State of New Jersey and the remaining \$2,000,000 was funded through the issuance of bonds at various interest rates. Principal payments of bonds in the amount of \$80,000 were made during the 2014-15 fiscal year, resulting in a balance in bonds payable as of June 30, 2015 of \$1,640,000.

On September 15, 2014 the District refunded \$3,150,000 in Bonds Payable from the March 15, 2004 Construction of the new Elementary/Middle School, resulting in a net savings of \$56,000. The balance in these bonds payable as of June 30, 2015 is \$2,845,000.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

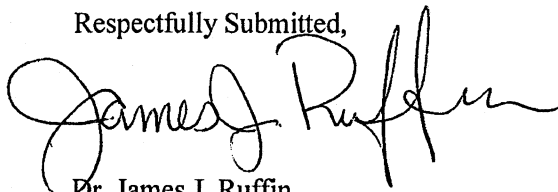
10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm of Nightlinger, Colavita and Volpa, P.A. was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156, and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 and/or 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

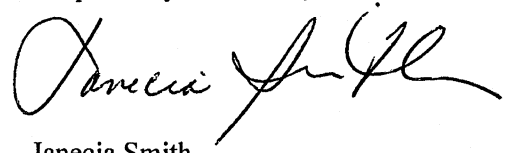
We would like to express our appreciation to the members of the Fairfield Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, P.A. and appreciate the courtesies extended to us.

Respectfully Submitted,



Dr. James J. Ruffin
Interim Superintendent

Respectfully Submitted,

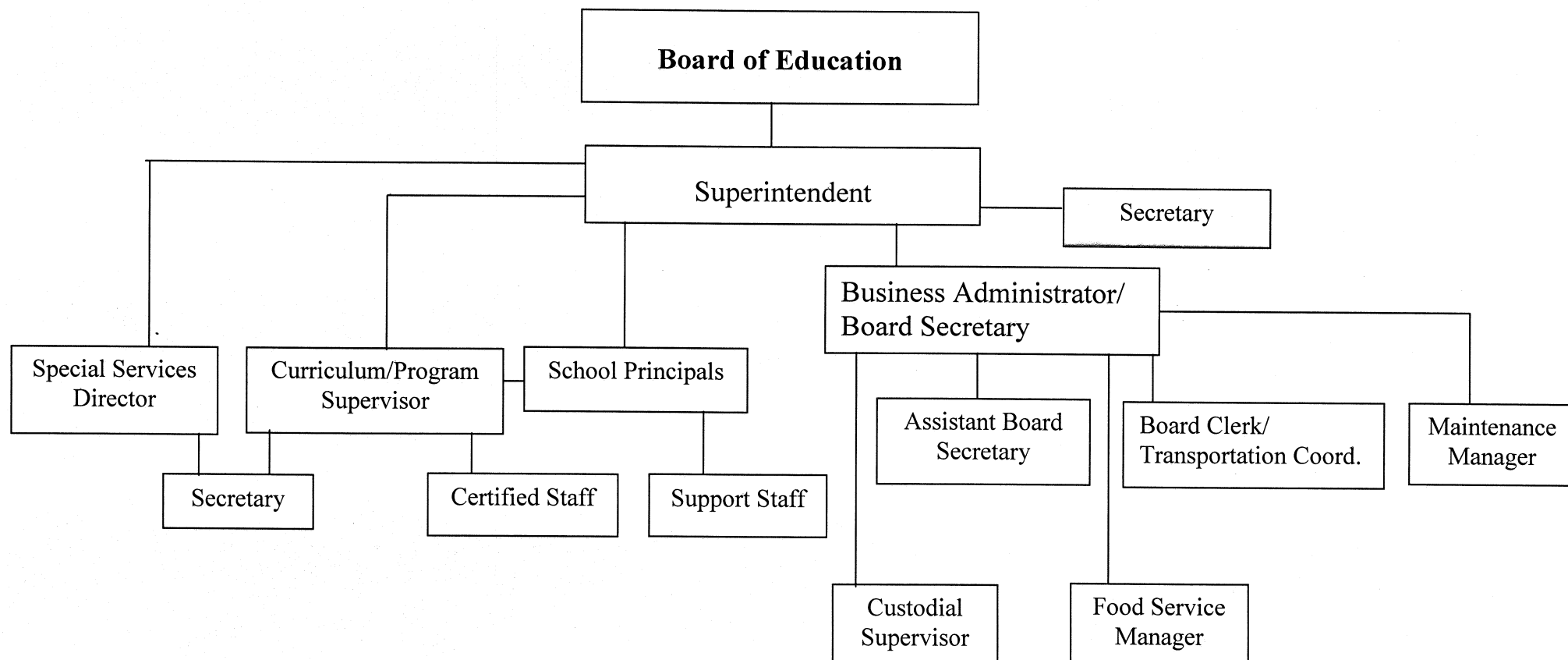


Janecia Smith
Business Administrator

Fairfield Township Board of Education
Bridgeton, New Jersey 08302
Exhibit

File Code: 2120

ORGANIZATIONAL CHART



Approved by the Board of Education

FAIRFIELD TOWNSHIP BOARD OF EDUCATION
BRIDGETON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2015

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Michelle Kennedy, President	2018
Alta Lloyd, Vice President	2018
Treemanisha Stewart	2017
Ruth Butler	2016
Lauren Cuff (From 1/22/15 to 4/16/15)	
Robin Winrow	2017
Darlington Henry, Jr.	2018
Mattie Gibbons	2016
Mark Henry, Sr.	2016
Marge Neild	2016

<u>OTHER OFFICIALS</u>	<u>BOND</u>
Dr. Wanda Carter, Superintendent	
Richard Davidson, Business Administrator (To 11/30/14)	\$ 320,000
Erin Kearney, Business Administrator (From 12/15/14 To 1/19/15)	
Herbert Scheetman, Interim Business Administrator (From 1/22/15)	
Janecia Smith, Business Administrator (From 7/1/15)	
Frank DiDomenico, Solicitor	

TOWNSHIP OF FAIRFIELD BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, CPA, RMA
Nightlinger, Colavita and Volpa, P. A.
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Frank DiDomenico
8 Lasalle Drive, PO Box 1356
Vineland, NJ 08362

OFFICIAL DEPOSITORY

Colonial Bank, FSB
1771 S. Lincoln Avenue
Vineland, New Jersey 08361

INSURANCE AGENCY

GCSSDJIF
PO Box 449
Marlton, New Jersey 08053

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

November 23, 2015

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Fairfield Township School District
County of Cumberland, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Township of Fairfield School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Township of Fairfield School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of Fairfield Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 20 and 55 through 60 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Fairfield Board of Education's financial statements as a whole. The introductory section and other supplementary information such as the combining and individual non-major fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with **Government Auditing Standards**, we have also issued a report dated November 23, 2015 on our consideration of the Township of Fairfield Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Governments Auditing Standard** and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA, R.M.A.
Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
FAIRFIELD TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

UNAUDITED

The discussion and analysis of Fairfield Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ❖ The assets of the School District exceeded its liabilities at the close of the fiscal year ended June 30, 2015 by \$6,551,887.
- ❖ Total net position of governmental activities totaled \$6,297,122.
- ❖ General revenues accounted for \$7,401,389 in revenue, or 70.9% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and capital grants accounted for \$3,042,729 or 29.1% to total revenues of \$10,444,118.
- ❖ Total net position of governmental activities decreased by \$98,485, made up of changes in cash and cash equivalents, cash deposited with the state as fiscal agent, various receivables and various liabilities.
- ❖ The School District had \$10,219,479 in governmental expenses, of which \$3,042,729 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily Federal and State aid) of \$6,095,707 were adequate to provide for governmental activity programs resulting in a positive change in net position of \$98,485.
- ❖ The General Fund had \$7,569,587 in revenues, offset by \$7,590,235 in expenditures and net transfers of \$68,990. As a result, the General Fund balance decreased by \$89,638 over 2014. This decrease was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Fairfield Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances.

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Fairfield Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business-type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 23. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a comparative summary of the School District's net position for the years ended in 2015 and 2014.

Table 1
Net Position

	2015	2014
Assets		
Current and Other Assets	\$ 925,550	\$ 1,041,853
Capital Assets, Net	12,747,527	12,994,742
Total Assets	13,673,077	14,036,595
Deferred Outflows of Resources	132,793	
Liabilities		
Long-term Liabilities	4,650,507	517,667
Other Liabilities	2,387,643	773,126
Total Liabilities	7,038,150	1,290,793
Deferred Inflows of Resources	215,833	
Net Position		
Invested in Capital Assets, Net of Debt	8,211,068	8,068,742
Restricted	435,960	578,762
Unrestricted	(2,095,141)	(491,702)
Total Net Position	\$ 6,551,887	\$ 8,155,802

Table 2 shows the changes in net position from fiscal year's 2015 and 2014.

Table 2
Changes in Net Position

	2015	2014
Revenues		
Programs Revenues		
Charges for Services	\$ 101,869	\$ 121,855
Operating Grants and Contributions	2,940,860	3,122,091
General Revenues		
Property Taxes	1,229,395	1,244,058
Grants and Entitlements	6,095,707	6,639,326
Other	76,287	71,323
Total Revenues	10,444,118	11,198,653
Program Expenses		
Instruction	3,861,090	3,975,641
Support Services		
Tuition	543,974	551,519
Pupils and Instructional Staff	941,324	933,660
General Administration, School		
Administration, Business	717,397	738,501
Operations and Maintenance of Facilities	590,978	1,275,704
Pupil Transportation	460,219	524,881
Employee Benefits	2,043,158	2,075,641
Food Service	425,630	474,964
Other	365,553	387,010
Debt Service - Interest	270,156	353,504
Total Expenses	10,219,479	11,291,025
Transfer to Charter School	(35,706)	
Increase (Decrease) in Net Position	\$ 188,933	\$ (92,372)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's total governmental revenues were \$9,928,040 for the fiscal year ended June 30, 2015. Program specific revenues comprised 25.5% of revenues for governmental activities and property taxes made up 12.4% federal, state and local grants accounted for another 61.4% and .7% was for other revenue. The Statement of Activities shows the cost of program services and the program specific revenues offsetting those services.

Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>
Instruction	\$ 3,861,090	\$ 2,791,736	\$ 3,975,641	\$ 2,815,643
Support Services				
Tuition	543,974	543,974	551,519	551,519
Pupils and Instructional Staff	941,324	353,778	933,660	400,130
General Administration, School				
Administration, Business	717,397	717,397	738,501	738,501
Operation and Maintenance of Facilities	590,978	590,978	1,275,704	1,275,704
Pupil Transportation	460,219	460,219	524,881	524,881
Employee Benefits	2,043,158	1,173,407	2,075,641	1,048,075
Interest and Fiscal Charges	270,156	270,156	353,504	353,504
Other	365,553	365,553	351,304	351,304
Total Expenses	<u>\$ 9,793,849</u>	<u>\$ 7,267,198</u>	<u>\$ 10,780,355</u>	<u>\$ 8,059,261</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Extracurricular activities includes expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Other includes unallocated depreciation and amortization.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenues exceeded expenses by \$90,448.
- ❖ Charges for services represent \$101,869 of revenue. This represents amount paid by patrons for daily food services.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$414,209

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$10,112,728 and expenditures of \$10,156,962. The net change in fund balance for the year was a decrease of \$79,940, which includes a Charter School transfer of \$35,706.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2014</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 1,305,682	12.9%	\$ (14,720)	-1%
State Sources	8,183,291	80.9%	(527,775)	-6%
Federal Sources	623,755	6.2%	(25,599)	-4%
Total	<u>\$ 10,112,728</u>	<u>100.0%</u>	<u>\$ (568,094)</u>	<u>-5%</u>

The decrease in Local Sources is attributed to decreases in the tax levy of \$14,663 and \$117 in interest income, offset by a increase of \$60 in other miscellaneous revenues.

The decrease in State Sources is attributed increases in Special Projects grants of \$44,776 and various State Public Aid categories of \$16,490, less \$589,041 in SDA Capital Project Grant revenue of \$589,041.

The decrease in Federal Sources is attributed various decreases in federal grant awards of \$25,599.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund Expenditures for the fiscal year ended June 30, 2015

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) 2014</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 3,861,090	38.0%	\$ (114,551)	-2.9%
Undistributed Expenditures	5,499,779	54.1%	130,814	2.4%
Capital Outlay	290,858	2.9%	(595,855)	-67.2%
Debt Service:				
Principal	385,000	3.8%	65,000	20.3%
Interest	120,235	1.2%	(78,807)	-39.6%
Total	<u>\$ 10,156,962</u>	<u>100%</u>	<u>\$ (593,399)</u>	<u>-5.5%</u>

The decrease in current – instruction is attributed to decreases in regular instruction of \$65,127 and other special instruction of \$176,464, offset by increases in special instruction of \$124,200 and other instruction of \$2,840.

The increase in current – undistributed expenditures is attributed to increased plant maintenance of \$45,441, student and instruction services of \$7,664 and employee benefits of \$175,249, offset by decreases in tuition costs of \$7,545, administrative expenses of \$17,254, central services of \$3,850, security of \$4,229 and pupil transportation of \$64,662.

The decrease in capital outlay is attributed to decreases in capital project spending of \$527,062 and equipment costs of \$68,793.

Debt Service decreased due to payment of scheduled interest and principal on existing bonds.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management in the following areas:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations.
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues and expenditures would equal with the appropriation of \$511,970 in fund balance, the actual results for the year show a decrease in fund balance of \$90,700.

- ❖ Actual revenues were \$12,098 more than expected, which excludes TPAF pension and social security of \$733,402.
- ❖ The actual expenditures were \$440,876 less than expected, which excludes the on-behalf state aid payments for TPAF pension and social security of \$733,402.

Capital Assets

At the end of the fiscal year 2015, the School District had \$12,747,527 invested general in land, buildings, furniture and equipment, and vehicles and food service equipment. Table 4 shows fiscal 2015 balances compared to 2014.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2015</u>	<u>2014</u>
Land	\$ 179,994	\$ 179,994
Sites	5,488	5,894
Building and Improvements	12,395,992	12,629,019
Machinery and Equipment	166,053	179,835
Totals	<u>\$ 12,747,527</u>	<u>\$ 12,994,742</u>

Overall capital assets decreased \$247,215 from fiscal year 2014 to fiscal year 2015. Acquisitions of capital assets were \$133,172 in general equipment, offset by depreciation expenses for the year of \$380,387, as calculated and a report prepared by an outside contractor.

Debt Administration

At June 30, 2015, the School District had \$4,650,507 as outstanding debt. Of this amount \$165,507 is for compensated absences and \$4,485,000 for bonds for school construction.

On September 30, 2003, the voters of Fairfield Township approved the construction of a new school in the amount of \$16,158,947 of which \$10,677,079 (68.56%) was funded by the State of New Jersey, \$500,868 was funded by Capital Reserve of the School District and \$4,981,000 was funded by the issuance of Serial Bonds.

On December 8, 2009, the voters approved a referendum to construct an addition as well as undertake various improvements and renovations to the Fairfield Township Elementary School. Also included was the acquisition of the necessary equipment and any associated site work. The total cost of the project is \$3,984,772, of which \$1,984,772 will be funded by a grant from the State of New Jersey and \$2,000,000 was funded by the issuance of Serial Bonds on March 25, 2010. The initial interest payment of \$31,397.71 was paid on September 1, 2010 and the initial principal payment of \$70,000 was paid on March 1, 2011.

On September 15, 2014, the District refunded \$3,150,000 in Bonds payable from the March 15, 2004 Construction of the new Elementary/Middle School, resulting in a net savings of \$56,000.

At June 30, 2015, the School District's overall legal debt margin was \$9,154,457 and the unvoted debt margin was \$4,669,457 or 51%.

The purpose of serial bond debt of the district is as follows:

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2015</u>
Construction of a new elementary/middle School including necessary onsite and offsite improvements, furniture and equipment associated with such improvements (Refunded)	9/15/14	\$ 3,150,000	\$ 2,845,000
Construction of an addition as well as undertake various improvements and renovations to the Fairfield Township Elementary School and to acquire the necessary equipment and undertake any associated site work	3/1/10	\$ 2,000,000	\$ 1,640,000

For the Future

Fairfield Township School District has planned and will be implementing a number of initiatives reflective of our continued development and implementation of best practice instructional strategies and instructional delivery to students during the 2014-2015 that will flow through to the 2015-2016 school year. While funding is always a concern to all school districts it has an especially significant impact to districts such as Fairfield. In our rural setting with limited ratables and a significant percentage of economically disadvantaged families our students face complicated situations that may impact negatively on their learning. It is our hope that the State will continue to fund programs at or above the level they currently have funded. We as a district will continue our efforts in being proactive to secure necessary funding. We also will be expanding our efforts and program parameters to reach out to parents/guardians and the community to promote increased family and community involvement. Further we are committed to assist our families as needed in completing forms that can provide them with the resources they need as part of our school district family.

For the future, our goal is to continue to create an environment that is conducive to student learning. We will continue to provide professional development to empower staff in implementing best practice based instruction and student assessment. We will continue to promote student success through targeted instruction. We will implement a professional staff evaluation instrument (Charlotte Danielson's, Framework for Teaching model) that is among those evaluation instruments sanctioned by the State of New Jersey. Increased proficiency in the areas of ELA and mathematics continues to be a paramount goal. Further, we continue to refine, revise and implement a student behavior system the increases positive behavior recognition. We will also continue our efforts in working to create an environment where parents/guardians feel comfortable in working with the administration and staff to promote student success.

Our summer school program for students provides instruction in mathematics and ELA core standards and also provides both a breakfast and lunch program to those attending. This program also includes a culminating field trip activity. Another planned initiative is an after school tutorial program with

transportation provided. During the school year from early December to May we have developed an after school tutorial program with student transportation that once again targets instructional areas of math and language.

In working toward these goals, we continue to rely on local, state and federal funding. Funding is our most pressing need to enable us to reach these goals. Fairfield Township School District's "Mission" is to continue efforts in "Pursuing Educational Excellence. Our community and Board of Education remain committed to providing the best educational opportunities for all of our students.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Janecia Smith, School Business Administrator at Fairfield Township Board of Education, 375 Gouldtown Woodruff Road, Bridgeton, NJ 08302.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 65,212	\$ 234,029	\$ 299,241
Due from Other Funds	105,591		105,591
Receivables, Net	462,453	49,599	512,052
Inventory		8,666	8,666
Restricted Assets:			
Capital Assets, Net (Note 5):	12,673,078	74,449	12,747,527
Total Assets	13,306,334	366,743	13,673,077
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	132,793		132,793
LIABILITIES			
Accounts Payable	155,112	107,027	262,139
Net Pension Liability	1,759,386		1,759,386
Accrued Interest on Bonds	50,244		50,244
Unearned Revenue	310,923	4,951	315,874
Non-current Liabilities (Note 6):			
Due Within One Year	378,192		378,192
Due Beyond One Year	4,272,315		4,272,315
Total Liabilities	6,926,172	111,978	7,038,150
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	164,374		164,374
Defeasance of Debt	51,459		51,459
Total Deferred Inflows	215,833		215,833
NET POSITION			
Invested in Capital Assets, Net of Related Debt	8,136,619	74,449	8,211,068
Restricted:			
Capital Reserve	337,314		337,314
Maintenance Reserve	10,000		10,000
Special Revenue	(140,150)		(140,150)
Capital Projects	206,152		206,152
Debt Service	22,644		22,644
Unrestricted (Deficit)	(2,275,457)	180,316	(2,095,141)
Total Net Position	\$ 6,297,122	\$ 254,765	\$ 6,551,887

The accompanying Notes to Financial Statements are an integral part of this statement.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,123,441	\$	\$ (1,069,354)	\$ (2,054,087)	\$	\$ (2,054,087)
Special Education	630,653			(630,653)		(630,653)
Other Special Instruction	19,200			(19,200)		(19,200)
Other Instruction	87,796			(87,796)		(87,796)
Support Services:						
Tuition	543,974			(543,974)		(543,974)
Student & Instruction Related Services	941,324		(587,546)	(353,778)		(353,778)
General and Business Administrative Services	295,408			(295,408)		(295,408)
School Administrative Services	202,296			(202,296)		(202,296)
Central Services	155,765			(155,765)		(155,765)
Information Technology	63,928			(63,928)		(63,928)
Plant Operations and Maintenance	577,560			(577,560)		(577,560)
Security	13,418			(13,418)		(13,418)
Pupil Transportation	460,219			(460,219)		(460,219)
Employee Benefits	2,043,158		(869,751)	(1,173,407)		(1,173,407)
Interest on Debt Service	270,156			(270,156)		(270,156)
Unallocated Depreciation	365,553			(365,553)		(365,553)
Total Governmental Activities	9,793,849		(2,526,651)	(7,267,198)		(7,267,198)
Business-type Activities:						
Food Service	425,630	(101,869)	(414,209)		90,448	90,448
Total Business-type Activities	425,630	(101,869)	(414,209)		90,448	90,448
Total Primary Government	\$ 10,219,479	\$ (101,869)	\$ (2,940,860)	\$ (7,267,198)	\$ 90,448	\$ (7,176,750)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 754,016	\$	\$ 754,016
Taxes Levied for Debt Service				475,379		475,379
Federal and State Aid not Restricted				6,095,707		6,095,707
Investment Earnings				6,447		6,447
Miscellaneous Income				69,840		69,840
Transfer to Charter School				(35,706)		(35,706)
Total General Revenues, Special Items, Extraordinary Items and Transfers				7,365,683		7,365,683
Change in Net Position				98,485	90,448	188,933
Net Position—Beginning (Restated)				6,198,637	164,317	6,362,954
Net Position—Ending				\$ 6,297,122	\$ 254,765	\$ 6,551,887

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 85,458	\$ (201,604)	\$ 422,745	\$ (29,856)	\$ 276,743
Interfunds Receivable	269,684			52,500	322,184
State Aid Receivable	15,190				15,190
Federal Aid Receivable		447,263			447,263
Total Assets	<u>\$ 370,332</u>	<u>\$ 245,659</u>	<u>\$ 422,745</u>	<u>\$ 22,644</u>	<u>\$ 1,061,380</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 80,226	\$ 74,886		\$	\$ 155,112
Interfund Payable	211,531		216,593		428,124
Unearned Revenue		310,923			310,923
Total Liabilities	<u>291,757</u>	<u>385,809</u>	<u>216,593</u>		<u>894,159</u>
Fund Balances:					
Restricted For:					
Maintenance Reserve	10,000				10,000
Special Revenue Fund		(140,150)			(140,150)
Capital Projects Fund			206,152		206,152
Assigned - Designated for					
Capital Reserve	337,314				337,314
Year-end Encumbrances	7,045				7,045
Debt Service				22,644	22,644
Unassigned, Reported In:					
General Fund (Deficit)	(275,784)				(275,784)
Total Fund Balances (Deficit)	<u>78,575</u>	<u>(140,150)</u>	<u>206,152</u>	<u>22,644</u>	<u>167,221</u>
Total Liabilities and Fund Balances	<u>\$ 370,332</u>	<u>\$ 245,659</u>	<u>\$ 422,745</u>	<u>\$ 22,644</u>	

Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,481,327 and the accumulated depreciation is \$3,808,249 (Note 5).

12,673,078

Accrued Interest is not due and payable in the current period and are, therefore, not reported as liabilities.

(50,244)

Deferred Inflows on Debt Defeasance are not reported as a Liability or Fund Balance in the Governmental funds.

(51,459)

Long Term Net Pension Liability - PERS

(1,759,386)

Deferred Inflow - PERS

132,793

Deferred Outflow- PERS

(164,374)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).

(4,650,507)

Net position of Governmental Activities

\$ 6,297,122

The accompanying Notes to Financial Statements are an integral part of this statement.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local Tax Levy	\$ 754,016	\$	\$	\$ 475,379	\$ 1,229,395
Interest Earned	5,111		1,336		6,447
Miscellaneous	69,840				69,840
Total - Local Sources	828,967		1,336	475,379	1,305,682
State Sources	6,740,620	1,403,911	38,760		8,183,291
Federal Sources		623,755			623,755
Total Revenues	7,569,587	2,027,666	40,096	475,379	10,112,728
EXPENDITURES					
Current:					
Instruction:					
Regular Instruction	2,054,087	1,069,354			3,123,441
Special Education Instruction	630,653				630,653
Other Special Instruction	19,200				19,200
Other Instruction	87,796				87,796
Support Services:					
Tuition	543,974				543,974
Student & Instruction Related Services	353,778	587,546			941,324
General Administrative Services	295,408				295,408
School Administrative Services	202,296				202,296
Central Services	155,765				155,765
Admin. Information Technology	63,928				63,928
Plant Operations and Maintenance	577,560				577,560
Security	13,418				13,418
Pupil Transportation	460,219				460,219
Employee Benefits	1,924,850	321,037			2,245,887
Capital Outlay	207,303	43,635	39,920		290,858
Debt Service - Principal				385,000	385,000
Debt Service - Interest				120,235	120,235
Total Expenditures	7,590,235	2,021,572	39,920	505,235	10,156,962
Excess (Deficiency) of Revenues Over Expenditures	(20,648)	6,094	176	(29,856)	(44,234)
OTHER FINANCING SOURCES (USES)					
Transfer to Charter School	(35,706)				(35,706)
Transfer to Capital Projects Fund	(34,620)		34,620		
Transfers Interest from Capital Projects Fund	1,336		(1,336)		
Total Other Financing Sources and Uses	(68,990)		33,284		(35,706)
Net Change in Fund Balances	(89,638)	6,094	33,460	(29,856)	(79,940)
Fund Balance—July 1 (Deficit)	168,213	(146,244)	172,692	52,500	247,161
Fund Balance—June 30 (Deficit)	\$ 78,575	\$ (140,150)	\$ 206,152	\$ 22,644	\$ 167,221

The accompanying Notes to Financial Statements are an integral part of this statement.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	(79,940)
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Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(365,553)	
Capital outlays		133,172	
			(232,381)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.		385,000
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In the Statement of Activities, the gain or loss on the refinancing of debt is reflected as a an adjustment to interest cost, whereas there is no reported revenue or loss in the Governmental Funds.		4,541
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In the Statement of Activities, certain operating expenditures such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		16,160
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Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.		1,881
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In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental funds, interest is reported when due.		3,224
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Change in Net Position of Governmental Activities (A-2)	\$	98,485
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The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities	
	Enterprise Funds	
	Food	
	Service	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 22,498	\$ 22,498
Accounts Receivable:		
Federal	38,459	38,459
State	624	624
Other	10,516	10,516
Interfund Accounts Receivable	211,531	211,531
Inventories	8,666	8,666
Total Current Assets	292,294	292,294
Fixed Assets:		
Equipment	249,816	249,816
Accumulated Depreciation	(175,367)	(175,367)
Total Fixed Assets	74,449	74,449
Total Assets	366,743	366,743
LIABILITIES		
Current Liabilities:		
Accounts Payable	107,027	107,027
Unearned Revenue	4,951	4,951
Total Current Liabilities	111,978	111,978
NET POSITION		
Invested in Capital Assets,		
Net of Related Debt	74,449	74,449
Unrestricted	180,316	180,316
Total Net Position	\$ 254,765	\$ 254,765

The accompanying Notes to Financial Statements are an integral part of this statement.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs:		
School Breakfast Program	\$ 523	\$ 523
School Lunch Program	33,587	33,587
Daily Sales - Non-Reimbursable Programs:	23,423	23,423
Special Functions	21,959	21,959
Satellite Revenue	22,377	22,377
Total Operating Revenue	101,869	101,869
Operating Expenses:		
Cost of Sales	234,222	234,222
Salaries	99,358	99,358
Employee Benefits	18,859	18,859
Management Fees	28,000	28,000
Miscellaneous	10,089	10,089
General Supplies	20,268	20,268
Depreciation	14,834	14,834
Total Operating Expenses	425,630	425,630
Operating Income (Loss)	(323,761)	(323,761)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	5,019	5,019
Federal Sources:		
National School Breakfast Program	140,912	140,912
National School Lunch Program	231,426	231,426
National School Snack Program	2,537	2,537
Summer Program	12,017	12,017
Food Distribution Program	22,112	22,112
Interest Earned	186	186
Total Non Operating Revenues (Expenses)	414,209	414,209
Income (Loss) Before Contributions & Transfers	90,448	90,448
Change in Net Position	90,448	90,448
Total Net Position—Beginning	164,317	164,317
Total Net Position—Ending	\$ 254,765	\$ 254,765

The accompanying Notes to Financial Statements are an integral part of this statement.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 101,869	\$ 101,869
Payments to Employees	(99,358)	(99,358)
Payments for Employee Benefits	(18,859)	(18,859)
Payments to Suppliers	(422,555)	(422,555)
Net Cash Provided by (used for) Operating Activities	(438,903)	(438,903)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	5,019	5,019
Federal Sources	409,004	409,004
Board Subsidy and Interest	186	186
Net Cash Provided by (used for) Non-capital Financing Activities	414,209	414,209
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Fixed Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Provided by (used for) Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	(24,694)	(24,694)
Balances—Beginning of Year	47,192	47,192
Balances—End of Year	\$ 22,498	\$ 22,498
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (323,761)	\$ (323,761)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by: (used for) Operating Activities		
Depreciation and Net Amortization	14,834	14,834
(Increase)Decrease in Accounts Receivable, Net	33,648	33,648
(Increase)Decrease in Interfund Accounts Receivable, Net	(106,441)	(106,441)
(Increase)Decrease in Inventories	(2,566)	(2,566)
Increase(Decrease) in Accounts Payable	(57,135)	(57,135)
Increase(Decrease) in Unearned Revenue	2,518	2,518
Total Adjustments	(115,142)	(115,142)
Net Cash Provided by (used for) Operating Activities	\$ (438,903)	\$ (438,903)
Noncash Noncapital Financing Activities:		
During the year, the District accepted \$25,263 of Food Commodities from the U. S. Department of Agriculture		

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 161,708
Total Assets	<u>\$ 161,708</u>
LIABILITIES	
Due to General Fund	\$ 105,591
Flexible Spending Reserve	7,073
Payable to Student Groups	3,764
Payroll Deductions and Withholdings	45,280
Total Liabilities	<u>\$ 161,708</u>
NET POSITION	
Held in Trust for Unemployment	
Claims and Other Purposes	N/A
Reserved for Scholarships	N/A

The accompanying Notes to Financial Statements are an integral part of this statement.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Fairfield Township School District is organized as a Type II District under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of forty-two square miles. It is located in Cumberland County and provides education for all of Fairfield Township's grades K through 8. The District currently operates two instructional buildings with the administrative offices in the primary school building. The Fairfield Township School District had an approximate enrollment at June 30, 2015 of 626 students.

Reporting Entity:

As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recently Issued and Adopted Accounting Pronouncements:

The district adopted the following GASB statements:

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 67, however, does not have any impact on the School District's financial statements.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recently Issued and Adopted Accounting Pronouncements (Cont'd):

- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 68, will impact the financial statements of the School District's.
- In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 71, will impact the financial statements of the School District's.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 69, *Government Combinations and disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The District is currently evaluating the impact of the adoption of this Statement on the School District's financial statements, although no impact is expected.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

GOVERNMENTAL FUND

General Fund: The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for and the payment of, principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation (Cont'd):

District-wide Statements: The statement of net position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Fund: The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment

7 – 20 Years

FIDUCIARY FUND TYPES

Trust and Agency Funds - The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

FIDUCIARY FUND TYPES (Cont'd)

Nonexpendable Trust Fund - A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds (Payroll and Student Activities Fund) - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus: (Cont'd)

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1 and C-2, include all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the General fund Budgetary Comparison schedule and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows the modified accrual basis, with the exception of the recognition policy for the last state aid payment.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2012-13, 2013-14 and 2014-15 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

I. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Assets, Liabilities and Equity:

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Assets, Liabilities and Equity: (Cont'd)

Inventories

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. Included below is Commodity Food Inventory of \$4,060.

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$ 7,395
Supplies	<u>1,271</u>
	\$ <u>8,666</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2015 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the Statement of Net Assets. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site Improvement	20
School Building	30-50
Building Improvements	20
Equipment	5-10

K. Compensated Absences:

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies and negotiated contracts. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits are cumulative and payable upon retirement according to contract terms.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences: (Cont'd)

The liability for vested compensated absences of governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund type is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the proprietary fund types.

L. Unearned Revenue:

Unearned revenue in the Special Revenue Fund represents cash, which has been received but not yet earned.

M. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

N. Allocation of Indirect Expenses:

The District reports direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

P. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

Q. Comparative Data/Reclassifications:

Comparative total data for the prior year has been presented in order to provide an understanding of changes on the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

R. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

S. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the year.

T. Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

U. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

V. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end. Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

W. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2014.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- a.) Bonds or other obligations of or guaranteed by the United States.
- b.) Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.
- d.) New Jersey Cash Management Fund – New Jersey the School Districts are permitted to participate in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject o custodial credit risk as defined above. At June 30, 2015, the District had no funds on deposit with the New Jersey Cash Management Fund.

Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash</u> <u>Equivalents</u>
Checking accounts	\$ 449,301
Fiscal Agent account	<u>11,648</u>
	\$ <u>460,949</u>

As of June 30, 2015, the District had no other investments.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2015, the School District's bank balance of \$834,745 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	<u>584,745</u>
Total	\$ <u>834,745</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

NOTE 4. OPERATING LEASES

The District has entered into operating leases for copying equipment. During the year beginning July 1, 2015, there was one existing lease on copiers for a term of five years. The future minimum lease payments are as follows:

2015-2016	\$ 19,248
2016-2017	19,248
2017-2018	<u>19,248</u>
	\$ <u>57,744</u>

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Adjustments/ Retirements	Ending Balance
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 179,994	\$ -	\$ -	\$ 179,994
Construction in Progress				
Total Capital Assets not being Depreciated	<u>179,994</u>	<u></u>	<u></u>	<u>179,994</u>
Site Improvements	8,128			8,128
Building and Building Improvements	15,617,943	82,568		15,700,511
Machinery and Equipment	542,090	50,604		592,694
Totals at Historical Cost	<u>16,168,161</u>	<u>133,172</u>	<u></u>	<u>16,301,333</u>
Less Accumulated Depreciation for :				
Site Improvements	(2,234)	(406)		(2,640)
Building and Improvements	(2,988,924)	(315,595)		(3,304,519)
Equipment	(451,538)	(49,552)		(501,090)
Total Accumulated Depreciation	<u>(3,442,696)</u>	<u>(365,553)</u>	<u></u>	<u>(3,808,249)</u>
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	<u>12,725,465</u>	<u>(232,381)</u>	<u></u>	<u>12,493,084</u>
Government Activities				
Capital Assets, Net	<u>\$ 12,905,459</u>	<u>\$ (232,381)</u>	<u></u>	<u>\$12,673,078</u>
	To A-1			To A-1
Business-type Activities - Equipment	\$ 249,816	\$ -	\$ -	\$ 249,816
Less Accumulated Depreciation	(160,533)	(14,834)		(175,367)
Business-type Activities				
Capital Assets, Net	<u>\$ 89,283</u>	<u>\$ (14,834)</u>	<u>\$ -</u>	<u>\$ 74,449</u>
Depreciation expense was charged to governmental functions as follows:				
Unallocated				<u>\$ 365,553</u>

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year	Long-term Portion
Governmental Activities:						
General Obligation Bonds Payable	\$ 4,926,000	\$ -	\$ (441,000)	\$ 4,485,000	\$ 360,000	\$ 4,125,000
Compensated Absences Payable	181,667		(16,160)	165,507	18,192	147,315
Total Other Liabilities	\$ 5,107,667	\$ -	\$ (457,160)	\$ 4,650,507	\$ 378,192	\$ 4,272,315

To A-1

A. Bonds Payable:

General obligation Bonds are authorized in accordance with State law by the voters of the municipality through referendums and retired in serial installments within the statutory period of usefulness.

On September 15, 2014, all of the outstanding callable principle, on the School Bonds originally issued on January 15, 2004, was refunded in the amount of \$3,206,000. The refunding bonds were issued in the amount of \$3,150,000, with the difference being funded by a portion of the related bond sale premium.

As of June 30, 2014, there exists a balance of outstanding principal in the 2010 and refunded 2004 bond issues totaling \$4,485,000. Of this amount, there is a reduction of \$56,000, resulting from the refunding on September 15, 2014. Combined Principal and interest due on the two serial bond issues outstanding as of June 30, 2015 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	\$ 360,000	\$ 151,406	\$ 511,406
2017	370,000	143,250	513,250
2018	390,000	131,700	521,700
2019	400,000	119,525	519,525
2020	415,000	107,025	522,025
2021	425,000	94,075	519,075
2022	440,000	80,825	520,825
2023	460,000	67,125	527,125
2024	475,000	49,000	524,000
2025	110,000	30,000	140,000
2026	120,000	25,600	145,600
2027	120,000	20,800	140,800
2028	130,000	16,000	146,000
2029	130,000	10,800	140,800
2030	140,000	5,600	145,600
	<u>\$ 4,485,000</u>	<u>\$ 1,052,731</u>	<u>\$ 5,537,731</u>

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 6. GENERAL LONG-TERM DEBT (CONT'D)

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District had no capital leases during the fiscal year ended June 30, 2015.

NOTE 7. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Fairfield Board of Education by the original 1994-95 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes, or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

In the 2001-02 school-year, the District established a Capital Reserve Account by board resolution.

During the 2013-14 school-year, the District transferred \$337,314 into the Capital Reserve account and appropriated this amount in the 2014-15 school-year. These funds were unspent and returned to Capital Reserve, as of June 30, 2015, for appropriation in the 2015-16 school budget.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2014 is \$844,237.

NOTE 8. MAINTENANCE RESERVE

A Maintenance Reserve account was established by the Township of Fairfield Board of Education by resolution in the 2008-09 school-year. At June 30, 2014 there was a balance of \$27,500 in Maintenance Reserve, of which \$17,500 was appropriated as revenue in the 2014-15 Budget, resulting in a balance of \$10,000 as of June 30, 2015.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2015**

NOTE 9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following defined benefit pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.L. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund – The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at a fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$1,045,703 and revenue of \$1,045,703 for support provided by the State.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of the annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007.

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution has been required over several preceding fiscal years.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System – The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007.

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$75,587. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	55,325	
Net difference between projected and actual earnings on pension plan investments		104,850
Changes in proportion and differences between District contributions and proportionate share of contributions		59,524
District contributions subsequent to the measurement date	77,468	
Total	\$ 132,793	\$ 164,374

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

\$77,468 reported as deferred outflows of resources related to pensions resulting from school district or charter school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at June 30, 2013 and 2014 are as follows:

	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 1,032,618,058	\$
Collective deferred inflows of resources	1,726,631,532	
Collective net pension liability	14,665,837,859	15,190,834,283
District's Proportion	0.93790591%	0.97657591%

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credit to the members' accounts.

Significant Legislation

P.L. 2011, c. 78, effective October 2011, set new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this legislation's effective date with a minimum contribution required to be at least 1.5 percent of salary.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2015**

NOTE 9. PENSION PLANS (CONT'D)

Significant Legislation (Cont'd)

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the States Defined Contribution Retirement Program.

The School District is billed annually for its normal contribution plus any accrued liability.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Three-Year Trend Information for PERS

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2015	\$ 79,693	100 %	\$ 79,693
June 30, 2014	75,758	100 %	75,758
June 30, 2013	48,670	100 %	48,670

Three-Year Trend Information for TPAF (Paid on Behalf of the District)

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2015	\$ 477,880	100 %	0
June 30, 2014	406,026	100 %	0
June 30, 2013	499,703	100 %	0

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$184,688 to the TPAF for pension contribution, \$293,192 for post-retirement benefits and nothing for normal contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$255,522 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 10. POST-RETIREMENT BENEFITS (CONT'D)

As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are GWN Securities, Inc., Equitable, Lincoln Investment Planning and Prudential.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$269,684	\$ 211,531
Capital Project Fund		216,593
Debt Service Fund	52,500	
Payroll Fund		105,591
Enterprise Fund	211,531	
	<u>\$533,715</u>	<u>\$533,715</u>

NOTE 13. RISK MANAGEMENT

The District participates in the Gloucester, Cumberland, and Salem School Districts Joint Insurance Fund (GCSSDJIF). The Fund pools together member District resources, and, through consultation with insurance professionals, purchases coverages, which include worker's compensation, property, general, automobile and school board legal liability, and boiler and machinery insurances.

As a member of the Fund, the Board is obligated for the prompt payment of any and all sums due to the Fund in accordance with its bylaws, statutes or regulations. However, the Board is not obligated for claims and expenses of another member District that are not covered by the Fund, or for that portion of any claim or liability which exceeds the Fund's limits of coverage.

A detailed schedule of the insurance coverages provided by the Fund is included in the statistical section of the District's Comprehensive Annual Financial Report.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2015**

NOTE 14. LAND PURCHASE

On August 28, 1996 the Board completed the purchase of a 62-acre tract of land on Buckshutem Road. The Board's intention was to utilize the land as future school building site. The purchase price of the land was \$156,750, which was appropriated by the Board from fund balance and encumbered in the general fund during the 1995-96 fiscal year.

With the choice of the Board-owned property on Gouldtown-Woodruff Road to build the new school also having adequate land for possible future expansion, the Buckshutem Road property became excess.

On September 22, 2004, the DOE granted the Board request for approval to sell the Buckshutem Road property. When the pre-sale appraisal came in at only \$116,000, the Board elected to hold the property in anticipation of a future increase in value.

NOTE 15. LITIGATION

According to the solicitor, the district is not involved in any lawsuits incidental to its operations, of which the total maximum exposure is considered material to the financial statements taken as a whole.

NOTE 16. FUND BALANCE

General Fund

Of the \$78,575 General Fund balance at June 30, 2015, \$7,045 is assigned for encumbrances; \$0 is restricted as Excess Surplus; \$10,000 is restricted for Maintenance Reserve, of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2016; 337,314 has been restricted for Capital Reserve, of which \$337,314 has been assigned and appropriated and included as anticipated revenue for the year ended June 30, 2016 and (\$275,784) represents a deficit in unassigned and unrestricted fund balance. The above amounts exclude the 19th and 20th state aid payment received in July, 2014 in the amount of \$552,028.

Debt Service Fund

Of the \$26,644 in Debt Service Fund balance at June 30, 2015, \$22,644 has been assigned and appropriated and included as anticipated revenue for the year ended June 30, 2016.

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the NJ Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess surplus to be appropriated in the 2015-16 or 2016-17 budgets.

**Fairfield Township School District
Notes to the Financial Statements
June 30, 2015**

NOTE 18. INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT

The balance in the investment of capital assets of \$8,136,619 on Exhibit A-1 reflects the allocation of the outstanding bonded debt as a liability, whereas the proceeds of the bonds will remain in the capital projects fund until such time as the project costs are expended. At that time, the costs are transferred into the heading of Capital Assets.

NOTE 19. DEFICIT FUND BALANCES

The District has a deficit in Unrestricted fund balance of (\$275,784) in the General Fund and (\$140,150) in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). P.L. 2004, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balances do not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payments of \$552,028. The special revenue fund deficit of \$140,150 is equal to the last state aid payments.

NOTE 20. RETRO ACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement.

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Fairfield Township School District
Notes to the Financial Statements
June 30, 2015

NOTE 20. RETRO ACTIVE RESTATEMENT OF NET POSITION (CONT'D)

Restatement of Prior Period (Cont'd)

In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Beginning net position as previously reported at June 30, 2014	\$ 7,991,485
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability (measurement date)	(1,866,431)
Net Deferred Inflows	73,583
Net Position as restated, July 1, 2014	<u><u>\$ 6,198,637</u></u>

End of Notes to the Financial Statements

BUDGETARY COMPARISON SCHEDULES

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 754,016	\$	\$ 754,016	\$ 754,016	\$
Tuition from Other LEAs Within State	10,000		10,000		(10,000)
Interest on Investments				5,111	5,111
Miscellaneous	41,369		41,369	69,840	28,471
Total Local Sources	805,385		805,385	828,967	23,582
State Sources:					
Equalization Aid	5,088,222		5,088,222	5,088,222	
Categorical Transportation Aid	157,300		157,300	157,300	
Categorical Special Education Aid	286,612		286,612	286,612	
Categorical Security Aid	166,335		166,335	166,335	
Adjustment Aid	253,131		253,131	253,131	
PARCC Readiness Aid	4,940		4,940	4,940	
Per Pupil Growth Aid	4,940		4,940	4,940	
Under Adequacy Aid	41,872		41,872	41,872	
Other State Aids:					
Additional Non-Public Transportation Aid				2,804	2,804
On Behalf TPAF Pension Contribution (Non-budgeted)				184,688	184,688
On Behalf TPAF Post Retirement Contribution (Non-budgeted)				293,192	293,192
Reimbursed TPAF Social Security Contribution (Non-budgeted)				255,522	255,522
Total State Sources	6,003,352		6,003,352	6,739,558	736,206
Federal Sources:					
Education Jobs Fund	14,288		14,288		(14,288)
Total Federal Sources	14,288		14,288		(14,288)
Total Revenues	6,823,025		6,823,025	7,568,525	745,500

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Expenditures:					
Current Expense:					
Instruction - Regular Program:					
Salaries of Teachers:					
Preschool Inclusion	\$ 60,935	\$ (60,935)	\$	\$	
Kindergarten	164,535	1,084	165,619	165,619	
Grades 1-5	1,065,063	(111,155)	953,908	953,908	
Grades 6-8	697,773	78,290	776,063	776,063	
Home Instruction:					
Salaries of Teachers	5,000	6,033	11,033	11,033	
Travel	500	(500)			
Undistributed Instruction - Regular:					
Other Salaries for Instruction	85,913	(85,717)	196		196
Purchased Professional - Educational Services	2,000	(111)	1,889	936	953
Other Purchased Services	15,000	(2,300)	12,700	12,700	
General Supplies	51,500	5,807	57,307	57,224	83
Textbooks	30,000	38,236	68,236	68,236	
Other Objects	10,000	(1,632)	8,368	8,368	
Total Regular Programs	2,188,219	(132,900)	2,055,319	2,054,087	1,232
Learning and Language Disabilities:					
Salaries of Teachers	182,008	179,594	361,602	361,602	
Other Salaries for Instruction	56,478	1,353	57,831	57,831	
General Supplies	500	(500)			
Textbooks	500	(500)			
Total Learning and/or Language Disabilities	239,486	179,947	419,433	419,433	
Behavioral Disabilities:					
Salaries of Teachers	56,223	(2,892)	53,331	53,331	
Other Salaries for Instruction	25,244	12,118	37,362	37,362	
Total Behavioral Disabilities	81,467	9,226	90,693	90,693	
Resource Room:					
Salaries of Teachers	182,005	(61,478)	120,527	120,527	
General Supplies	500	(500)			
Textbooks	500		500		500
Total Resource Room	183,005	(61,978)	121,027	120,527	500
Total Special Education	503,958	127,195	631,153	630,653	500
Basic Skills/Remedial:					
Salaries of Teachers	140,181	(120,981)	19,200	19,200	
General Supplies	500	(95)	405		405
Total Basic Skills/Remedial	140,681	(121,076)	19,605	19,200	405

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Expenditures (Continued):					
Current Expense (Continued):					
Bilingual Education - Instruction					
Salaries of Teachers	\$ 54,849	\$ (100)	\$ 54,749	\$ 53,849	\$ 900
General Supplies	500	100	600	472	128
Total Bilingual Education - Instruction	55,349		55,349	54,321	1,028
School - Sponsored Co-curricular Activities - Instruction:					
Salaries	18,000	6,627	24,627	24,627	
Supplies and Materials	3,000	(1,750)	1,250	1,250	
Total School - Sponsored Co-curricular Activities	21,000	4,877	25,877	25,877	
School - Sponsored Athletics - Instruction:					
Salaries	12,000	(4,877)	7,123	6,300	823
Purchased Services	1,000		1,000	540	460
Supplies and Materials	1,000		1,000	758	242
Total School - Sponsored Athletics - Instruction	14,000	(4,877)	9,123	7,598	1,525
Total Instruction	2,923,207	(126,781)	2,796,426	2,791,736	4,690
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs within the State - Regular	32,156	61,003	93,159	93,159	
Tuition - Other LEAs outside State - Regular	10,000	32,557	42,557	42,557	
Tuition - Other LEAs within the State - Special	405,195	1,215	406,410	406,410	
Tuition to Private School for the Disabled - Within State	46,440	(44,592)	1,848	1,848	
Total Instruction	493,791	50,183	543,974	543,974	
Health Services:					
Salaries	54,356	(2,013)	52,343	50,331	2,012
Purchased Professional & Technical Services	1,100	18,591	19,691	19,691	
Other Purchased Services	200	(55)	145		145
Supplies & Materials	2,000	3,721	5,721	5,692	29
Total Health Services	57,656	20,244	77,900	75,714	2,186
Other Support Services - Student - Related Services:					
Salaries	61,733	(61,733)			
Purchased Professional - Educational Services	68,000	8,752	76,752	76,752	
Total - Other Support Serv - Student - Related Serv	129,733	(52,981)	76,752	76,752	

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Expenditures (Continued):					
Current Expense (Continued):					
Undistributed Expenditures: (Continued):					
Special Education - Extraordinary Services					
Salaries - Aides	\$	\$ 40,848	\$ 40,848	\$ 35,383	\$ 5,465
Total - Special Education - Extraordinary Services		40,848	40,848	35,383	5,465
Guidance					
Salaries of Other Professional Staff	55,686	(4,710)	50,976	50,768	208
Other Purchased Professional & Technical Services	10,000	1,300	11,300	11,270	30
Other Purchased Services	300	305	605	603	2
Supplies & Materials	4,000	(1,300)	2,700	2,434	266
Total - Other Support Services - Students - Regular	69,986	(4,405)	65,581	65,075	506
Child Study Teams					
Other Salaries		4,050	4,050	4,050	
Other Purchased Professional & Tech Serv	1,000	(969)	31		31
Supplies & Materials	500	694	1,194	1,194	
Total - Other Support Services - Students - Special	1,500	3,775	5,275	5,244	31
Improvement of Instruction Services/Other Support:					
Salaries of Other Professional Staff	6,000	(2,988)	3,012	3,012	
Other Purchased Services	800	(800)			
Supplies & Materials	2,000	(2,000)			
Other Objects	1,500	(1,500)			
Total - Improvement of Instruction Services/Other Support					
Services - Instructional Staff	10,300	(7,288)	3,012	3,012	
Educational Media Services - School Library:					
Salaries - Other Professional Staff	76,397		76,397	76,397	
Purchased Professional & Technical Services	9,000	1,128	10,128	10,128	
Supplies & Materials	5,000	(2,149)	2,851	1,464	1,387
Other Objects	750		750	306	444
Total Educational Media Services - School Library	91,147	(1,021)	90,126	88,295	1,831
Instructional Staff Training Services:					
Purchased Professional - Educational Services	500	(500)			
Other Purchased Services - Travel	3,000	2,235	5,235	4,303	932
Supplies and Materials	1,500	(1,500)			
Total - Instructional Staff Training Services	5,000	235	5,235	4,303	932

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Expenditures (Continued):					
Current Expense (Continued):					
Undistributed Expenditures: (Continued):					
Support Services - General Administration:					
Salaries	\$ 148,614	\$ (36,414)	\$ 112,200	\$ 112,200	\$
Salaries of Secretaries and Clerical		39,735	39,735	39,735	
Legal Services	12,000	15,965	27,965	26,353	1,612
Audit Fees	15,000	(15,000)			
Other Purchased Professional Services	3,500	(1,233)	2,267	2,267	
Equipment Rental		2,384	2,384	2,272	112
Communications/Telephone	54,000	10,850	64,850	64,850	
Travel		2,248	2,248	1,462	786
BOE Other Purchased Services	2,750	29,451	32,201	32,191	10
Misc Purchased Services	36,000	(36,000)			
General Supplies	7,250	1,400	8,650	8,650	
Judgments Against School District	2,500		2,500		2,500
Miscellaneous Expenditures	2,500	2,966	5,466	5,428	38
BOE Membership Dues and Fees	4,000	(4,000)			
Total Support Services - General Administration	288,114	12,352	300,466	295,408	5,058
Support Services - School Administration:					
Salaries - Principals/Assistant Principals	134,640		134,640	134,640	
Salaries - Secretarial & Clerical Assistants	61,124	(2,500)	58,624	53,158	5,466
Other Purchased Services	1,000	(1,000)			
Travel		1,000	1,000	731	269
Supplies & Materials	9,250		9,250	9,250	
Other Objects	5,000		5,000	4,517	483
Total Support Series - School Administration	211,014	(2,500)	208,514	202,296	6,218
Central Services					
Salaries of Business Administrator	148,341	(65,120)	83,221	83,221	
Salaries of Other Staff		54,910	54,910	54,910	
Purchased Technical Services	12,000	(3,000)	9,000	8,592	408
Miscellaneous Purchased Services	2,000	(70)	1,930	1,313	617
Supplies and Materials	4,500	1,647	6,147	6,147	
Other Objects		2,000	2,000	1,582	418
Interest on Current Loans	500	(500)			
Miscellaneous Expenditures	1,500	(1,500)			
Total Central Services	168,841	(11,633)	157,208	155,765	1,443
Admin. Info. Technology					
Purchased Professional Services	50,000	2,332	52,332	52,332	
Other Purchased Services	8,500	(3,178)	5,322	5,300	22
Supplies and Materials	2,000	5,540	7,540	6,296	1,244
Total Admin. Info. Technology	60,500	4,694	65,194	63,928	1,266
Required Maintenance - School Facilities					
Cleaning, Repair, Maintenance Services	50,000	(734)	49,266	46,824	2,442
General Supplies	10,000	1,747	11,747	11,268	479
Total - Required Maintenance - School Facilities	60,000	1,013	61,013	58,092	2,921

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Expenditures (Continued):					
Current Expense (Continued):					
Undistributed Expenditures: (Continued):					
Other Operation & Maintenance - Plant Services					
Salaries	\$ 8,820	\$	\$ 8,820	\$ 5,375	\$ 3,445
Purchased Professional & Technical Services	24,000	(12,563)	11,437	11,397	40
Cleaning, Repair, Maintenance Services	180,000	(3,072)	176,928	174,437	2,491
Other Purchased Property Services	5,000	2,768	7,768	7,540	228
Insurance	32,000	452	32,452	30,023	2,429
Miscellaneous Purchased Services	500	(500)			
General Supplies	7,000	1,199	8,199	8,184	15
Energy (Natural Gas)	11,000	(11,000)			
Energy (Electricity)	218,000	(2,792)	215,208	213,430	1,778
Total - Other Operation & Maintenance - Plant Services	486,320	(25,508)	460,812	450,386	10,426
Care & Upkeep of Grounds					
Salaries	48,651	1,109	49,760	49,760	
Cleaning, Repair, Maintenance Services	16,000	250	16,250	16,240	10
General Supplies	3,000		3,000	2,832	168
Other Objects	500	(250)	250	250	
Total - Care & Upkeep of Grounds	68,151	1,109	69,260	69,082	178
Total - Operation & Maintenance - Plant Services	614,471	(23,386)	591,085	577,560	13,525
Security					
Salaries	12,600	696	13,296	13,296	
General Supplies	500		500	122	378
Total - Security	13,100	696	13,796	13,418	378
Student Transportation Services:					
Salaries - Between Home & School - Regular	8,451	109	8,560	8,560	
Other Purchased Prof. and Technical Serv.	22,000	420	22,420	22,417	3
Contracted Services - Aid in Lieu of Payments	35,000	(12,114)	22,886	22,886	
Contracted Services (Home/School) - Vendors	15,000	(14,809)	191		191
Contracted Services (Not Home/School) - Vendors	18,000	(5,370)	12,630	12,630	
Contracted Services (Home/School) - Joint Agreements	275,500	1,986	277,486	277,486	
Contracted Services (Special Ed) - Vendors	145,000	(28,750)	116,250	116,240	10
Total - Student Transportation Services	518,951	(58,528)	460,423	460,219	204
UNALLOCATED BENEFITS:					
Social Security Contributions	90,000	(11,982)	78,018	78,018	
Other Retirement Contributions - PERS	85,000	(3,325)	81,675	81,471	204
Unemployment Compensation	19,000	1,166	20,166	20,166	
Workmen's Compensation	46,000	(2,918)	43,082	43,082	
Health Benefits	888,373	159,234	1,047,607	949,609	97,998
Tuition Reimbursement	12,000	(5,053)	6,947	6,947	
Other Employee Benefits	12,155		12,155	12,155	
Total - UNALLOCATED BENEFITS	1,152,528	137,122	1,289,650	1,191,448	98,202

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Expenditures (Continued):					
Current Expense (Continued):					
Undistributed Expenditures: (Continued):					
On-behalf TPAF Pension Contributions (Non-Budgeted)	\$	\$	\$	\$ 184,688	\$ (184,688)
On-behalf TPAF Post Retirement Med. Contributions (Non-Budgeted)				293,192	(293,192)
Reimbursement TPAF Social Security Contributions (Non-Budgeted)				255,522	(255,522)
Total - UNDISTRIBUTED EXPENDITURES	3,886,632	108,407	3,995,039	4,591,196	(596,157)
TOTAL EXPENDITURES - CURRENT EXPENSE	6,809,839	(18,374)	6,791,465	7,382,932	(591,467)
CAPITAL OUTLAY:					
Increase in Capital Reserve:					
Interest Deposit to Capital Reserve					
Undistributed Expenditures - Equipment					
Grades 6-8					
Administrative	2,000	2,600	4,600	4,570	30
Custodial	2,000	(1,099)	901		901
Care and Upkeep of Grounds	2,000	399	2,399	2,399	
Security	2,000	(1,900)	100		100
Total Equipment	8,000		8,000	6,969	1,031
Facilities Acquisition & Construction Services					
Legal Services	3,000	44,200	47,200	40,288	6,912
Architectural/Engineering Services	30,000	(30,000)			
Other Purchased Prof. and Tech. Services	17,000	(14,200)	2,800	2,360	440
Construction Services	250,000	3,244	253,244		253,244
Supplies and Materials	37,314		37,314		37,314
Assessment for Debt Service on SDA Funding	157,686		157,686	157,686	
Total - Facilities Acquisition & Construction Services	495,000	3,244	498,244	200,334	297,910
TOTAL - CAPITAL OUTLAY	503,000	3,244	506,244	207,303	298,941
TOTAL EXPENDITURES	7,312,839	(15,130)	7,297,709	7,590,235	(292,526)

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (489,814)	\$ 15,130	\$ (474,684)	\$ (21,710)	\$ 452,974
Other Financing Sources (Uses):					
Transfer to Charter School	(22,156)	(13,551)	(35,707)	(35,706)	1
Transfer to Capital Projects Fund				(34,620)	(34,620)
Transfer from Capital Project Fund - Interest				1,336	1,336
Total Other Financing Sources (Uses)	(22,156)	(13,551)	(35,707)	(68,990)	(33,283)
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(511,970)	1,579	(510,391)	(90,700)	419,691
Fund Balances, July 1	691,303		691,303	691,303	
Fund Balances, June 30	\$ 179,333	\$ 1,579	\$ 180,912	\$ 600,603	\$ 419,691

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:

Maintenance Reserve \$ 10,000

Assigned Fund Balance:

Capital Reserve 337,314

Year-end Encumbrances 7,045

Unassigned Fund Balance

246,244

600,603

Reconciliation to Governmental Fund Statements (GAAP):

Last State Aid Payment not Recognized on GAAP Basis (522,028)

TOTAL

\$ 78,575

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 1,582,440	\$	\$ 1,582,440	\$ 1,397,817	\$ (184,623)
Federal Sources	452,349	227,861	680,210	623,755	(56,455)
Total Revenues	2,034,789	227,861	2,262,650	2,021,572	(241,078)
EXPENDITURES:					
Instruction					
Salaries	763,431	(134,032)	629,399	611,279	18,120
Other Salaries for Instruction	239,030	120,723	359,753	355,130	4,623
Tuition		14,743	14,743	14,743	
Purchased Prof/Ed. Services	4,000	(4,000)			
Other Purchased Services	10,000	(1,336)	8,664	180	8,484
General Supplies	70,000	30,080	100,080	84,340	15,740
Transportation - Field Trips	16,000	(11,876)	4,124	3,682	442
Total Instruction	1,102,461	14,302	1,116,763	1,069,354	47,409
Support Services					
Salaries of Principals/Asst Prin/ Prog Dir	29,132		29,132	28,560	572
Salaries of Other Professional Services	23,995	11,127	35,122	31,322	3,800
Salaries of Secretarial/Clerical	37,172	6,731	43,903	24,446	19,457
Salaries of Master Teachers	52,893		52,893	47,182	5,711
Personal Services - Employee Benefits	315,223	64,482	379,705	321,037	58,668
Purchased Professional & Educational Services	18,000	14,516	32,516	32,516	
Cleaning, Repair & Maintenance Services - Preschool	52,000	27,101	79,101	79,101	
Rentals	16,000		16,000	14,553	1,447
Other Purchased Services	197,323	49,017	246,340	235,536	10,804
Contracted Transp Grants	90,000		90,000	63,870	26,130
Contracted Transp Grants - Field Trips	12,000		12,000	3,626	8,374
Travel	8,000	(4,693)	3,307	426	2,881
Supplies and Materials	22,590	2,000	24,590	24,590	
Other Objects	6,000	(2,000)	4,000	1,818	2,182
Total Support Services	880,328	168,281	1,048,609	908,583	140,026
Facilities Acquisition and Construction Services:					
Buildings					
Instructional Equipment	40,000	45,278	85,278	43,635	41,643
Non-Instructional Equipment	12,000		12,000		12,000
Total Facilities Acquisition and Construction Services	52,000	45,278	97,278	43,635	53,643
Total Expenditures	2,034,789	227,861	2,262,650	2,021,572	241,078
Other Financing Sources (Uses)					
Total Outflows	2,034,789	227,861	2,262,650	2,021,572	241,078
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
BUDGET - TO - GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	[C-1] \$ 7,568,525	[C-2] \$ 2,021,572
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		
Prior Year		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	523,090	146,244
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(522,028)	(140,150)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	[B-2] <u>\$ 7,569,587</u>	[B-2] <u>\$ 2,027,666</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the		
budgetary comparison schedule	[C-1] \$ 7,590,235	[C-2] \$ 2,021,572
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	[B-2] <u>\$ 7,590,235</u>	[B-2] <u>\$ 2,021,572</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULE L-1

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.0093791%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,759,386
District's Covered-Employee Payroll	\$ 589,032
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	298.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS

PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

		<u>2014</u>
Contractually Required Contribution	\$	77,468
Contributions in Relation to the Contractually Required Contribution		(77,468)
Contribution Deficiency (Excess)	\$	
District's Covered-Employee Payroll	\$	589,032
Contributions as a Percentage of Covered-Employee Payroll		13.15%

SCHEDULE L-3

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

TEACHERS PENSION PLAN

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	N/A
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 706,609
District's Covered-Employee Payroll	\$ 3,277,879
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its covered-employee payroll	21.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART III

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules**

For the Fiscal Year Ended June 30, 2015

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Change of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Title I</u>	<u>Title II</u>		<u>Sub-Total</u>	
	<u>Part A</u>	<u>Part A</u>	<u>Preschool Education</u>	<u>Per E-1(2)</u>	<u>Totals 2015</u>
REVENUES:					
State Sources			\$ 1,397,817		\$ 1,397,817
Federal Sources	\$ 358,247	\$ 21,670		\$ 243,838	623,755
Total Revenues	<u>358,247</u>	<u>21,670</u>	<u>1,397,817</u>	<u>243,838</u>	<u>2,021,572</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	154,012	13,830	443,437		611,279
Other Salaries for Instruction	66,184		288,946		355,130
Tuition				14,743	14,743
Other Purchased Services			180		180
General Supplies	55,648		24,282	4,410	84,340
Other Objects			3,682		3,682
Total Instruction	<u>275,844</u>	<u>13,830</u>	<u>760,527</u>	<u>19,153</u>	<u>1,069,354</u>
Support Services:					
Salaries of Principals/Asst Prin/ Prog Dir			28,560		28,560
Salaries of Other Professional Services	7,201		24,121		31,322
Salaries of Secretarial/Clerical			24,446		24,446
Salaries of Master Teachers			47,182		47,182
Personal Services-Employee Benefits	54,862		266,175		321,037
Purchased Prof./Educational Services			32,516		32,516
Cleaning, Repair & Maint Services			79,101		79,101
Rentals			14,553		14,553
Other Purchased Services	20,340	7,840	26,306	181,050	235,536
Contractual Transport.			63,870		63,870
Contractual Transport. - Field Trips			3,626		3,626
Travel			426		426
Supplies and Materials			24,590		24,590
Other Objects			1,818		1,818
Total Support Services	<u>82,403</u>	<u>7,840</u>	<u>637,290</u>	<u>181,050</u>	<u>908,583</u>
Facilities Acquisition:					
Instructional Equipment				43,635	43,635
Total Facilities Acquisition				<u>43,635</u>	<u>43,635</u>
Total Expenditures	<u>\$ 358,247</u>	<u>\$ 21,670</u>	<u>\$ 1,397,817</u>	<u>\$ 243,838</u>	<u>\$ 2,021,572</u>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES SPECIAL REVENUE FUND - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	IDEA			Totals
	Pre-K	B-Basic	REAP	2015
REVENUES:				
State Sources				
Federal Sources	\$ 5,322	\$ 190,471	\$ 48,045	\$ 243,838
Total Revenues	5,322	190,471	48,045	243,838
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Other Salaries for Instruction				
Tuition		14,743		14,743
Other Purchased Services				
General Supplies			4,410	4,410
Transportation - Field Trips				
Other Objects				
Total Instruction		14,743	4,410	19,153
Support Services:				
Salaries of Principals/Asst Prin/ Prog Dir				
Salaries of Other Professional Services				
Personal Services-Employee Benefits				
Purchased Prof./Educational Services				
Other Purchased Services	5,322	175,728		181,050
Supplies and Materials				
Total Support Services	5,322	175,728		181,050
Facilities Acquisition:				
Instructional Equipment			43,635	43,635
Total Facilities Acquisition			43,635	43,635
Total Expenditures	\$ 5,322	\$ 190,471	\$ 48,045	\$ 243,838

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 443,436	\$ 443,437	\$ (1)
Other Salaries of Instruction	288,946	288,946	
Other Purchased Services (400-500 series)	8,664	180	8,484
General Supplies	25,000	24,282	718
Other Objects	4,125	3,682	443
Total Instruction	770,171	760,527	9,644
Support Services:			
Salaries of Program Directors	29,132	28,560	572
Salaries of Other Professional Staff	24,121	24,121	
Salaries of Secretarial & Clerical Assistants	43,901	24,446	19,455
Salaries of Master Teachers	52,893	47,182	5,711
Personal Services-Employee Benefits	315,223	266,175	49,048
Purchased Professional & Educational Services	32,516	32,516	
Other Purchased Professional - Services	33,485	26,306	7,179
Cleaning Repair and Maint Services	79,101	79,101	
Rentals	16,000	14,553	1,447
Contractual Service-Tran. (Bet. Home & School)	90,000	63,870	26,130
Contractual Service-Tran. (Field Trips)	12,000	3,626	8,374
Travel	3,307	426	2,881
Supplies and Materials	24,590	24,590	
Other Objects	4,000	1,818	2,182
Total Support Services	760,269	637,290	122,979
Facilities Acquisition and Construction Services:			
Instruction Equipment	40,000		40,000
Non-Instructional Equipment	12,000		12,000
Total Facilities Acquisition and Construction Services	52,000		52,000
Contribution to Charter Schools			
Total Expenditures	\$ 1,582,440	\$ 1,397,817	\$ 184,623

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2014-15 Preschool Education Aid Allocation	\$ 1,401,505	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2014)	303,307	(2)
Add: Budgeted Transfer from the General Fund 2014-15		(3)
Total Preschool Education Aid Funds Available for 2014-15 Budget	1,704,812	(4)
Less: 2014-15 Budgeted Preschool Education Aid (including prior year budget carryover)	1,582,440	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	122,372	(6)
Add: June 30, 2015 Unexpended Preschool Education Aid	184,623	(7)
Less: 2014-15 Commissioner-approved Transfer to the General Fund		(8)
2013-14 Carryover -Preschool Education Aid Programs	\$ 306,995	(9)
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	\$	(10)

Note: Since the 2014-15 Actual Carryover is more than the amount budgeted in 2015-16,
the District should consider revising its 2015-16 Preschool Education Program Budget.

\$ 306,995

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EXHIBIT F-1

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Adjustment</u>	<u>Unexpended Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Construction of new Elementary/Middle School, necessary onsite and offsite improvements, furniture, and equipment associated with such improvements.	1/15/04	\$ 5,245,313	\$ 5,185,673	\$	\$	59,640
Construction of an addition as well as undertake various improvements and renovations to the Fairfield Township Elementary School and to acquire the necessary equipment and undertake any necessary site work.	3/1/10	3,984,772	3,871,720			113,052
Demolition of Original Fairfield Elementary School	2/28/13	1,150,808	1,077,428	39,920		33,460
		<u>\$ 10,380,893</u>	<u>\$ 10,134,821</u>	<u>\$ 39,920</u>	<u>\$</u>	<u>\$ 206,152</u>

EXHIBIT F-2

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing

Sources

State Sources - SCC Grant	\$ 38,760
Interest	1,336
	<hr/>
Total Revenues	40,096
	<hr/>

Expenditures and Other Financing Uses

Demolition Services	39,920
	<hr/>
Total Expenditures	39,920
	<hr/>

Excess (Deficiency) of Revenues Over (Under) Expenditures	176
Transfer Interest to General Fund	(1,336)
Transfer from General Fund	34,620
	<hr/>

	\$33,460
Fund Balance - Beginning	172,692
	<hr/>

Fund Balance - Ending	\$ 206,152
	<hr/> <hr/>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF NEW ELEMENTARY/MIDDLE SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$	\$	\$
Bond Proceeds and Transfers	4,981,000		4,981,000	4,981,000
Transfer to Demolition Project	(283,187)		(283,187)	(283,187)
Transfer from Capital Reserve	600,000		600,000	600,000
Total Revenues	5,297,813		5,297,813	5,297,813
Expenditures and Other Financing Uses				
Construction Services	5,185,673		5,185,673	5,297,813
Total Expenditures	5,185,673		5,185,673	5,297,813
Less: Transferred to Debt Service fund	(52,500)		(52,500)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 59,640	\$	\$ 59,640	\$

Additional project information:

Project Number	1460-050-02-0530
Grant Date	January 15, 2004
Bond Authorization Date	January 15, 2004
Bond Authorized	\$4,981,000
Bonds Issued	\$4,981,000
Original Authorization Cost	\$5,481,898
Additional Authorized Cost	\$0.00
Revised Authorized Cost	\$5,481,898
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	August 31, 2005
Revised Target Completion Date	December 8, 2005

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF ADDITIONS AND RENOVATIONS TO ELEMENTARY/MIDDLE SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 1,984,772	\$	\$ 1,984,772	\$ 1,984,772
Bond Proceeds and Transfers	2,000,000		2,000,000	2,000,000
Total Revenues	3,984,772		3,984,772	3,984,772
Expenditures and Other Financing Uses				
Professional Technical Services	95,285		95,285	95,285
Construction Services	3,776,435		3,776,435	3,889,487
Total Expenditures	3,871,720		3,871,720	3,984,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 113,052	\$	\$ 113,052	

Additional project information:

Project Number	1460-070-09-1002-G02
Grant Date	August 17, 2009
Bond Authorization Date	December 8, 2009
Bond Authorized	\$2,000,000
Bonds Issued	\$2,000,000
Original Authorization Cost	\$3,984,772
Additional Authorized Cost	\$0
Revised Authorized Cost	\$3,984,772
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	December 31, 2010
Revised Target Completion Date	December 31, 2010

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
DEMOLITION OF ORIGINAL FAIRFIELD ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 729,828	\$ 38,759	\$ 768,587	\$ 803,208
Local Share Transferred from SDA	283,187	34,621	317,808	317,808
Local Share Transferred from SDA	64,413		64,413	64,413
Total Revenues	1,077,428	73,380	1,150,808	1,185,429
Expenditures and Other Financing Uses				
Architectural Services	98,103		98,103	101,461
Other Professional Technical Services	17,000		17,000	17,000
Demolition Services	962,325	39,920	1,002,245	1,032,347
Total Expenditures	1,077,428	39,920	1,117,348	1,150,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 33,460	\$ 33,460	\$ 34,621

Additional project information:

Project Number	1460-01-00-0366-01
Grant Date	February 28, 2013
Original Authorization Cost	\$1,479,311
Reduction in Authorized Cost	\$328,503
Revised Authorized Cost	\$1,150,808
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	0%
Original Target Completion Date	February 28, 2013
Revised Target Completion Date	September 30, 2014

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the School District.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015 AND 2014

	Food Service Fund	Totals 2015	2014
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 22,498	\$ 22,498	\$ 47,192
Accounts Receivable:			
State	624	624	1,292
Federal	38,459	38,459	75,532
Other	10,516	10,516	6,423
Interfund Accounts Receivable	211,531	211,531	105,090
Inventories	8,666	8,666	6,100
Total Current Assets	292,294	292,294	241,629
Fixed Assets:			
Equipment	249,816	249,816	249,816
Accumulated Depreciation	(175,367)	(175,367)	(160,533)
Total Fixed Assets	74,449	74,449	89,283
Total Assets	366,743	366,743	330,912
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	4,951	4,951	2,433
Accounts Payable	107,027	107,027	164,162
Total Current Liabilities	111,978	111,978	166,595
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	74,449	74,449	89,283
Restricted	26,132	26,132	
Unrestricted	154,184	154,184	75,034
Total Net Position	\$ 254,765	\$ 254,765	\$ 164,317

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015 AND 2014

	<u>Food Service</u>	<u>Totals</u>	
	<u>Fund</u>	<u>2015</u>	<u>2014</u>
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Breakfast Program	\$ 523	\$ 523	\$ 5,604
School Lunch Program	33,587	33,587	23,380
Daily Sales - Non-Reimbursable Programs:	23,423	23,423	32,267
Summer Program			14,994
Special Functions	21,959	21,959	12,688
Satellite Revenue	22,377	22,377	32,922
Total Operating Revenue	<u>101,869</u>	<u>101,869</u>	<u>121,855</u>
OPERATING EXPENSES:			
Salaries	99,358	99,358	110,134
Employee Benefits	18,859	18,859	31,886
Management Fees	28,000	28,000	17,040
Supplies	20,268	20,268	20,340
Miscellaneous	10,089	10,089	21,708
Depreciation	14,834	14,834	14,834
Cost of Sales	234,222	234,222	259,022
Total Operating Expenses	<u>425,630</u>	<u>425,630</u>	<u>474,964</u>
Operating Loss	<u>(323,761)</u>	<u>(323,761)</u>	<u>(353,109)</u>
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	5,019	5,019	5,263
Federal Sources:			
National School Breakfast Program	140,912	140,912	134,392
National School Lunch Program	231,426	231,426	236,987
National School Snack Program	2,537	2,537	1,749
Summer Program	12,017	12,017	
Food Distribution Program	22,112	22,112	22,467
Interest	186	186	139
Total Non-Operating Revenues	<u>414,209</u>	<u>414,209</u>	<u>400,997</u>
Non-Operating Expenses and (Income):			
Total Non-Operating Expenses			
Net Income	<u>90,448</u>	<u>90,448</u>	<u>47,888</u>
Net Position - July 1	<u>164,317</u>	<u>164,317</u>	<u>116,429</u>
Net Position - June 30	<u>\$ 254,765</u>	<u>\$ 254,765</u>	<u>\$ 164,317</u>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOW
AS OF JUNE 30, 2015 AND 2014

	Food Service Fund	Totals 2015	2014
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 101,869.00	\$ 101,869	\$ 121,855
Payments to Employees	(99,358.00)	(99,358)	(110,134)
Payments for Employee Benefits	(18,859.00)	(18,859)	(31,886)
Payments to Suppliers	(422,555.00)	(422,555)	(343,943)
Net Cash Used by Operating Activities	(438,903)	(438,903)	(364,108)
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	414,023	414,023	400,858
Net Cash Provided by Noncapital Financing Activities	414,023	414,023	400,858
Cash Flows from Capital Financing Activities:			
Purchase of Fixed Assets			
Cash Flows from Investing Activities:			
Interest on Investments	186	186	139
Net Increase/(Decrease) in Cash and Cash Equivalents	(24,694)	(24,694)	36,889
Cash and Cash Equivalents, July 1	47,192	47,192	10,303
Cash and Cash Equivalents, June 30	\$ 22,498	\$ 22,498	\$ 47,192
Operating Income (Loss)	\$ (323,761)	\$ (323,761)	\$ (353,109)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:			
Depreciation	14,834	14,834	14,834
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	33,648	33,648	(56,271)
(Increase)/Decrease in Interfund Receivable	(106,441)	(106,441)	(49,875)
(Increase)/Decrease in Inventory	(2,566)	(2,566)	587
Increase/(Decrease) in Accounts Payable	(57,135)	(57,135)	79,510
Increase/(Decrease) in Unearned Revenue	2,518	2,518	216
Total Adjustments	(115,142)	(115,142)	(10,999)
Net Cash Used by Operating Activities	\$ (438,903)	\$ (438,903)	\$ (364,108)

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	<u>Agency</u>		<u>Totals</u>	
	<u>Student Activity</u>	<u>Payroll</u>	<u>2015</u>	<u>2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 3,764	\$ 157,944	\$ 161,708	\$ 124,512
Total Assets	<u>\$ 3,764</u>	<u>\$ 157,944</u>	<u>\$ 161,708</u>	<u>\$ 124,512</u>
LIABILITIES AND NET POSITION:				
Liabilities:				
Payroll Deductions and Withholdings	\$	\$ 45,280	\$ 45,280	\$ 40,275
Flexible Spending Reserve		7,073	7,073	4,198
Due to General Fund		105,591	105,591	74,843
Accounts Payable				4,092
Due to Student Groups	3,764		3,764	1,104
Total Liabilities	<u>3,764</u>	<u>157,944</u>	<u>161,708</u>	<u>124,512</u>
Total Liabilities and Net Position	<u>\$ 3,764</u>	<u>\$ 157,944</u>	<u>\$ 161,708</u>	<u>\$ 124,512</u>

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Accounts</u> <u>Receivable</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
Middle School	\$ 1,104	\$ 20,068	\$	\$ 17,408	\$	\$ 3,764
Totals	\$ 1,104	\$ 20,068	\$	\$ 17,408	\$	\$ 3,764

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>June 30, 2015</u>
ASSETS:							
Cash and Cash Equivalents	\$ 119,316	\$	4,521,427	\$	4,482,799	\$	157,944
Total Assets	\$ 119,316	\$	4,521,427	\$	4,482,799	\$	157,944
LIABILITIES:							
Payroll Deductions and Withholdings	\$ 40,275	\$	4,487,804	\$	4,482,799	\$	45,280
Flexible Spending Reserve	4,198		2,875				7,073
Due to General Fund	74,843		30,748				105,591
Total Liabilities	\$ 119,316	\$	4,521,427	\$	4,482,799	\$	157,944

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

FAIRFIELD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Redeemed	Balance June 30, 2015
			Date	Amount					
Construction of new elementary/middle school, necessary onsite and offsite improvements and necessary furniture and equipment associated with such improvements.	3/15/04	\$ 4,981,000	9/15/2014	\$ 3,206,000 Refunded		\$ 3,206,000	\$	\$ 3,206,000	\$
Construction of an addition as well as undertake various improvements and renovations to the Fairfield Township Elementary School and to acquire the necessary equipment and undertake any necessary site work.	3/1/10	2,000,000	3/1/16	\$ 85,000	3.125%	1,720,000		80,000	1,640,000
			3/1/17	90,000	3.500%				
			3/1/18	95,000	3.500%				
			3/1/19-22	100,000	3.500%				
			3/1/23	110,000	3.750%				
			3/1/24-25	110,000	4.000%				
			3/1/26-27	120,000	4.000%				
			3/1/28-29	130,000	4.000%				
			3/1/30	140,000	4.000%				
Refunding of 3/15/04 School Bond Issue	9/15/2014	3,150,000	3/15/16	275,000	2.000%		3,150,000	305,000	2,845,000
			3/16/17	280,000	3.000%				
			3/17/18	295,000	3.000%				
			3/18/19	300,000	3.000%				
			3/18/20	315,000	3.000%				
			3/19/21	325,000	3.000%				
			3/20/22	340,000	3.000%				
			3/21/23	350,000	4.000%				
			3/21/24	365,000	4.000%				
Totals						\$ 4,926,000	\$ 3,150,000	\$ 3,591,000	\$ 4,485,000
				Redeemed			\$	\$ 385,000	
				Refunded			3,150,000	3,150,000	
				Gain on Refinancing				56,000	
							\$ 3,150,000	\$ 3,591,000	

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 475,379	\$	\$ 475,379	\$ 475,379	\$
Total Revenues - Local Sources	<u>475,379</u>		<u>475,379</u>	<u>475,379</u>	
State sources:					
Debt Service Aid Type II					
Total Revenues - State Sources					
Total Revenues	<u>475,379</u>		<u>475,379</u>	<u>475,379</u>	
EXPENDITURES					
Regular Debt Service:					
Redemption of Principal	340,000	45,000	385,000	385,000	
Interest	187,879	(45,000)	142,879	120,235	22,644
Total Regular Debt Service	<u>527,879</u>		<u>527,879</u>	<u>505,235</u>	<u>22,644</u>
Total Expenditures	<u>527,879</u>		<u>527,879</u>	<u>505,235</u>	<u>22,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,500)		(52,500)	(29,856)	22,644
Transfer from Capital Projects Fund					
Fund Balances, July 1	<u>52,500</u>		<u>52,500</u>	<u>52,500</u>	
Fund Balances, June 30	\$	\$	\$	\$ 22,644	\$ 22,644
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$	\$	\$	\$	\$

STATISTICAL SECTION

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 1,449,141	\$ 1,002,002	\$ 10,561,634	\$ 10,129,348	\$ 9,459,843	\$ 12,312,897	\$ 7,872,940	\$ 8,012,695	\$ 7,979,459	\$ 8,136,619
Restricted	1,369,311	735,940	463,246	1,097,886	2,724,746	977,545	1,056,002	766,964	725,006	435,960
Unrestricted	(369,239)	(406,269)	(251,655)	(555,764)	(739,399)	(338,219)	(287,595)	(647,914)	(566,736)	(2,275,457)
Total Governmental Activities Net Position	\$ 2,449,213	\$ 1,331,673	\$ 10,773,225	\$ 10,671,470	\$ 11,445,190	\$ 12,952,223	\$ 8,641,347	\$ 8,131,745	\$ 8,137,729	\$ 6,297,122
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 12,717	\$ 18,836	\$ 132,496	\$ 136,933	\$ 136,521	\$ 123,109	\$ 118,951	\$ 104,117	\$ 89,283	\$ 74,449
Restricted										
Unrestricted	15,441	16,148	24,063	50,865	7,799	19,244		12,312	75,034	180,316
Total Business-Type Activities Net Position	\$ 28,158	\$ 34,984	\$ 156,559	\$ 187,798	\$ 144,320	\$ 142,353	\$ 118,951	\$ 116,429	\$ 164,317	\$ 254,765
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 1,461,858	\$ 1,020,838	\$ 10,694,130	\$ 10,266,281	\$ 9,596,364	\$ 12,436,006	\$ 7,991,891	\$ 8,116,812	\$ 8,068,742	\$ 8,211,068
Restricted	1,369,311	735,940	463,246	1,097,886	2,724,746	977,545	1,056,002	766,964	578,762	435,960
Unrestricted	(353,798)	(390,121)	(227,592)	(504,899)	(731,600)	(318,975)	(287,595)	(635,602)	(491,702)	(2,095,141)
Total District-Wide Net Position	\$ 2,477,371	\$ 1,366,657	\$ 10,929,784	\$ 10,859,268	\$ 11,589,510	\$ 13,094,576	\$ 8,760,298	\$ 8,248,174	\$ 8,155,802	\$ 6,551,887

Source: CAFR Schedule A-1

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,409,505	\$ 2,419,480	\$ 2,541,764	\$ 2,985,335	\$ 3,662,220	\$ 3,336,418	\$ 3,367,316	\$ 3,150,130	\$ 3,188,568	\$ 3,123,441
Special Education	510,808	509,161	505,488	595,850	223,476	410,858	497,594	494,964	506,453	630,653
Other Special Instruction	184,276	199,106	178,439	145,321	168,504	77,134	159,433	166,931	195,664	19,200
Other Instruction	27,493	59,910	62,815	73,479	65,794	72,567	70,424	85,260	84,956	87,796
Support Services										
Tuition	478,546	368,500	418,562	518,224	408,837	481,638	383,558	524,146	551,519	543,974
Student and Instruction Related Services	660,652	706,855	703,879	780,552	1,110,300	794,864	889,763	871,912	933,660	941,324
General Administrative Services	143,950	258,508	270,388	375,465	311,001	324,894	276,763	280,209	314,833	295,408
School Administrative Services	275,895	183,777	138,393	165,090	175,506	156,602	210,345	208,571	193,112	202,296
Central Services & Info Technology	185,910	180,695	181,134	198,516	232,437	164,482	207,822	204,782	230,556	219,693
Plant Operations and Maintenance	438,393	558,004	692,253	652,581	632,481	580,466	553,394	581,351	1,258,057	577,560
Security									17,647	13,418
Pupil Transportation	486,408	479,171	488,626	531,587	513,955	508,839	526,476	554,280	524,881	460,219
Employee Benefits	1,434,102	1,761,528	1,711,706	1,389,774	1,546,527	1,550,801	1,798,555	2,628,187	2,075,641	2,043,158
Interest on Long-Term Debt	186,435	182,511	176,343	169,733	183,211	339,192	216,960	322,410	353,504	270,156
Amortization of Debt Issue Costs	1,735	1,735	1,735	1,735	2,235	3,735	3,735			
Unallocated Depreciation and Amortization	143,713	205,254	401,708	373,354	360,363	517,268	357,611	365,805	351,304	365,553
Total Governmental Activities Expenses	7,567,821	8,074,195	8,473,233	8,956,596	9,596,847	9,319,758	9,519,749	10,438,938	10,780,355	9,793,849
Business-Type Activities										
Food Service	273,407	295,061	328,503	338,786	371,513	388,722	447,826	449,175	474,964	425,630
Total Business-Type Activities Expense	273,407	295,061	328,503	338,786	371,513	388,722	447,826	449,175	474,964	425,630
Total District Expenses	\$ 7,841,228	\$ 8,369,256	\$ 8,801,736	\$ 9,295,382	\$ 9,968,360	\$ 9,708,480	\$ 9,967,575	\$ 10,888,113	\$ 11,255,319	\$ 10,219,479
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	\$ 1,743,691	\$ 2,157,819	\$ 2,136,643	\$ 1,797,849	\$ 2,381,901	\$ 2,197,473	\$ 2,369,566	\$ 2,485,404	\$ 2,721,094	\$ 2,526,651
Total Governmental Activities Program Revenues	1,743,691	2,157,819	2,136,643	1,797,849	2,381,901	2,197,473	2,369,566	2,485,404	2,721,094	2,526,651
Business-Type Activities										
Charges for Services										
Food Service	60,821	67,287	72,819	69,609	83,898	81,365	91,200	75,889	121,855	101,869
Operating Grants and Contributions	194,439	223,800	251,893	282,843	301,012	305,390	329,303	370,764	400,997	414,209
Total Business-Type Activities Program Revenues	255,260	291,087	324,712	352,452	384,910	386,755	420,503	446,653	522,852	516,078
Total District Program Revenues	\$ 1,998,951	\$ 2,448,906	\$ 2,461,355	\$ 2,150,301	\$ 2,766,811	\$ 2,584,228	\$ 2,790,069	\$ 2,932,057	\$ 3,243,946	\$ 3,042,729
Net (Expense)/Revenue										
Governmental Activities	\$ (5,824,130)	\$ (5,916,376)	\$ (6,336,590)	\$ (7,158,747)	\$ (7,214,946)	\$ (7,122,285)	\$ (7,150,183)	\$ (7,953,534)	\$ (8,059,261)	\$ (7,267,198)
Business-Type Activities	(18,147)	(3,974)	(3,791)	13,666	13,397	(1,967)	(27,323)	(2,522)	47,888	90,448
Total District-Wide Net Expense	\$ (5,842,277)	\$ (5,920,350)	\$ (6,340,381)	\$ (7,145,081)	\$ (7,201,549)	\$ (7,124,252)	\$ (7,177,506)	\$ (7,956,056)	\$ (8,011,373)	\$ (7,176,750)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 484,756	\$ 584,786	\$ 636,750	\$ 679,730	\$ 696,863	\$ 696,863	\$ 696,863	\$ 710,800	\$ 725,016	\$ 754,016
Taxes Levied for Debt Service	277,360	349,210	368,435	371,785	369,785	509,980	514,917	514,661	519,042	475,379
Unrestricted Grants and Contributions	4,594,277	4,619,781	5,038,741	5,794,162	6,901,808	7,374,175	6,158,940	6,092,595	6,639,326	6,095,707
Tuition Received	20,328	13,147	2,632	19,177	2,184					
Adjustment to Fixed Assets		(819,458)	9,720,585	(276,647)				175,856	(5,021)	
Investment Earnings	100,875	49,948	32,457	5,784	1,244	1,401	1,814	18,690	6,564	6,447
Transfer to Charter School					(15,394)				(35,706)	(35,706)
Miscellaneous Income	48,372	1,422	(21,458)	463,001	32,176	46,899	6,113	(12,780)	69,780	69,840
Total Governmental Activities	5,525,968	4,798,836	15,778,142	7,056,992	7,988,666	8,629,318	7,378,647	7,499,822	7,919,001	7,365,683
Business-Type Activities										
Board Subsidy							3,921			
Prior Year Inventory Adjustments	(13,405)	10,800	125,366	17,573	(56,875)					
Total Business-Type Activities	(13,405)	10,800	125,366	17,573	(56,875)		3,921			
Total District-Wide	\$ 5,512,563	\$ 4,809,636	\$ 15,903,508	\$ 7,074,565	\$ 7,931,791	\$ 8,629,318	\$ 7,382,568	\$ 7,499,822	\$ 7,919,001	\$ 7,365,683
Change in Net Position										
Governmental Activities	\$ (298,162)	\$ (1,117,540)	\$ 9,441,552	\$ (101,755)	\$ 773,720	\$ 1,507,033	\$ 228,464	\$ (453,712)	\$ (140,260)	\$ 98,485
Business-Type Activities	(31,552)	6,826	121,575	31,239	(43,478)	(1,967)	(23,402)	(2,522)	47,888	90,448
Total District-Wide	\$ (329,714)	\$ (1,110,714)	\$ 9,563,127	\$ (70,516)	\$ 730,242	\$ 1,505,066	\$ 205,062	\$ (456,234)	\$ (92,372)	\$ 188,933

Source: CAFR Schedule A-2

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
FUND BALANCES-GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(UNAUDITED)

	Fiscal Year,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted	\$ 553,014	\$ 338,892	\$ 157,819	\$ 851,263	\$ 275,210	\$ 226,205	\$ 316,497	\$ 267,000	\$	
Maintenance Reserve									10,000	10,000
Assigned:										
Maintenance Reserve									17,500	
Capital Reserve									337,314	337,314
Subsequent Year's Expenditures									135,000	
Year End Encumbrances										7,045
Unassigned	(73,462)	(118,623)	25,441	(295,129)	(488,405)	(335,131)	(284,018)	(414,558)	(331,601)	(275,784)
Total General Fund	<u>\$ 479,552</u>	<u>\$ 220,269</u>	<u>\$ 183,260</u>	<u>\$ 556,134</u>	<u>\$ (213,195)</u>	<u>\$ (108,926)</u>	<u>\$ 32,479</u>	<u>\$ (147,558)</u>	<u>\$ 168,213</u>	<u>\$ 78,575</u>
All Other Governmental Funds										
Restricted:										
Special Revenue Fund	\$ (35,314)	\$ (35,314)	\$ (35,314)	\$ (74,124)	\$ (92,665)	\$ (105,899)	\$ (105,899)	\$ (113,166)	\$ (146,244)	\$ (140,150)
Capital Projects Fund	816,297	397,439	346,684	344,087	2,543,206	857,239	845,693	613,130	172,692	206,152
Assigned:										
Debt Service									52,500	22,644
Total All Other Governmental Funds	<u>\$ 780,983</u>	<u>\$ 362,125</u>	<u>\$ 311,370</u>	<u>\$ 269,963</u>	<u>\$ 2,450,541</u>	<u>\$ 751,340</u>	<u>\$ 739,794</u>	<u>\$ 499,964</u>	<u>\$ 78,948</u>	<u>\$ 88,646</u>

Source: CAFR Schedule B-1

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 762,116	\$ 933,996	\$ 1,005,185	\$ 1,051,515	\$ 1,066,648	\$ 1,206,843	\$ 1,211,780	\$ 1,225,461	\$ 1,244,058	\$ 1,229,395
Tuition Charges	20,328	13,147	2,632	19,177	2,184					
Interest Earnings	100,875	49,948	32,457	5,784	1,244	1,401	1,814	18,690	6,564	6,447
Miscellaneous	103,447	1,422	(18,777)	464,318	32,176	46,899	10,034	28,328	69,780	69,840
State Sources	5,805,453	6,133,119	6,660,070	7,012,377	7,286,581	8,872,507	7,583,256	7,982,445	8,711,066	8,183,291
Federal Sources	532,515	644,481	512,633	578,317	1,997,128	699,141	945,250	595,554	649,354	623,755
Total Revenues	7,324,734	7,776,113	8,194,200	9,131,488	10,385,961	10,826,791	9,752,134	9,850,478	10,680,822	10,112,728
Expenditures										
Instruction							497,594			
Regular Instruction	2,409,505	2,396,456	2,541,764	2,985,335	3,662,220	3,336,418	3,367,316	3,150,130	3,188,568	3,123,441
Special Education Instruction	510,808	509,161	505,488	595,850	223,476	410,858		494,964	506,453	630,653
Other Special Instruction	184,276	199,106	178,439	145,321	168,504	77,134	159,433	166,931	195,664	19,200
Other instruction	27,493	59,910	62,815	73,479	65,794	72,567	70,424	85,260	84,956	87,796
Support Services										
Tuition	478,546	368,500	418,562	518,224	408,837	481,638	383,558	524,146	551,519	543,974
Student and Instruction Related Services	660,652	706,855	703,879	780,552	1,110,300	794,864	889,763	871,912	933,660	941,324
General Administrative Services	143,950	258,508	270,388	375,465	311,001	324,894	276,763	280,209	314,833	295,408
School Administrative Services	275,895	183,777	138,393	165,090	175,506	156,602	210,345	208,571	193,112	202,296
Central Services & Info. Technology		180,695	181,134	198,516	232,437	164,482	207,822	204,782	230,556	219,693
Plant Operations and Maintenance	438,393	558,004	692,253	652,581	632,481	580,466	553,394	581,351	532,119	577,560
Security									17,647	13,418
Pupil Transportation	486,408	479,171	488,626	531,587	513,955	508,839	526,476	554,280	524,881	460,219
Business and Other Support Services	185,910									
Unallocated Employee Benefits	1,580,782	1,761,528	1,681,033	1,388,521	1,559,164	1,607,161	1,839,633	2,092,265	2,070,638	2,245,887
Capital Outlay	2,583,958	443,373	50,755	17,715	1,525,858	3,395,820	120,916	675,631	886,713	290,858
Debt Service:										
Principal	90,000	165,000	190,000	200,000	164,785	285,000	295,000	305,000	320,000	385,000
Interest and Other Charges	187,360	184,210	178,435	171,785	205,000	224,980	219,917	209,661	199,042	120,235
Total Expenditures	10,243,936	8,454,254	8,281,964	8,800,021	10,959,318	12,421,723	9,120,760	10,405,093	10,750,361	10,156,962
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,919,202)	(678,141)	(87,764)	331,467	(573,357)	(1,594,932)	631,374	(554,615)	(69,539)	(44,234)
Other Financing Sources (Uses)										
Proceeds from NJSDA								175,856		
Transfer to Charter School								(19,540)	(35,706)	(35,706)
Transfers (Net)							(3,921)	(21,568)		
Total Other Financing Sources (Uses)							(3,921)	134,748	(35,706)	(35,706)
Net Change in Fund Balances	\$ (2,919,202)	\$ (678,141)	\$ (87,764)	\$ 331,467	\$ (573,357)	\$ (1,594,932)	\$ 627,453	\$ (419,867)	\$ (105,245)	\$ (79,940)
Debt Service as a Percentage of Noncapital Expenditures	2.7%	4.1%	4.4%	4.2%	3.4%	4.1%	5.6%	4.9%	4.80%	4.7%

Source: CAFR Schedule B-2

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Sale of Ramah Road School	Rent	Prior Year Refunds	Prior Year P.O. Adjustment	Atlantic Electric Energy Rebate	Misc.	Total
2015	\$ 5,111	\$	\$	\$ 600	\$ 38,705	\$	\$ 22,960	\$ 7,575	\$ 74,951
2014	5,756			600	38,705		22,960	7,515	75,536
2013	10,982				2,159	3,933	21,058	1,178	39,310
2012	931							10,034	10,965
2011					18,793		23,300	4,806	46,899
2010	380	2,184						29,503	32,067
2009	1,507	19,177	428,162	14,314		17,058		3,467	483,685
2008	32,457	2,632				(18,777)			16,312
2007	49,948	13,147						1,422	64,517
2006	26,864	20,640			1,125	1,454	100,000	454	150,537

Source: District Records

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	a Public Utilities	Net Valuation Taxable	Total Direct School Rate ^b	Estimated Actual County Equalized Value
2015	\$ 19,017,700	\$ 250,704,700	\$ 12,843,500	\$ 2,887,500	\$ 26,053,500	\$ 1,630,200	\$ 344,200	\$ 313,481,300	\$ 743,541	\$ 314,224,841	\$ 0.875	\$ 292,697,443
2014	19,175,800	241,140,500	13,644,400	2,863,100	2,689,700	1,630,200	344,200	281,487,900	734,782	282,222,682	0.875	308,715,419
2013	19,555,400	251,576,200	14,020,900	2,774,300	26,080,900	1,630,200	344,200	315,982,100	1,057,941	317,040,041	0.843	321,672,120
2012	19,497,200	253,567,700	13,290,100	2,819,800	27,921,353		344,200	317,440,353	1,127,247	318,567,600	0.854	323,221,997
2011	19,696,000	254,791,200	14,442,700	2,907,600	27,664,600		344,200	319,846,300	1,195,161	321,041,461	0.812	303,667,283 ^c
2010	9,280,500	137,378,900	7,210,200	2,788,300	13,993,700		219,400	170,871,000	810,417	171,681,417	1.615	325,356,981
2009	9,497,200	137,444,200	7,060,300	2,791,300	13,507,400		219,400	170,519,800	806,828	171,326,628	1.489	325,356,981
2008	9,240,700	135,374,500	7,071,000	2,827,400	13,469,800		219,400	168,202,800	827,880	169,030,680	1.447	290,722,820
2007	9,386,100	130,982,500	7,908,700	3,084,300	13,554,300			164,915,900	905,270	165,821,170	1.556	284,265,923
2006	9,518,600	127,002,600	8,014,300	3,071,500	13,412,200			161,019,200	983,653	162,002,853	1.475	207,971,432

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b) Tax rates are per \$100

c) First year of revaluation

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Fairfield Township Board of Education			Overlapping Rates			
	a	b		Cumberland Regional High School	Fairfield Township	Cumberland County	Total
	Basic Rate	General Obligation Debt Service	Total Direct				
2015	\$ 0.246	\$ 0.155	\$ 0.401	\$ 0.474	\$ 0.407	\$ 1.030	\$ 2.312
2014	0.227	0.163	0.390	0.485	0.383	1.017	2.275
2013	0.222	0.161	0.383	0.460	0.393	0.976	2.212
2012	0.221	0.163	0.384	0.470	0.384	0.965	2.203
2011	0.218	0.160	0.378	0.434	0.375	0.896	2.083 *
2010	0.459	0.244	0.703	0.912	0.673	1.69	3.978
2009	0.403	0.220	0.623	0.866	0.545	1.707	3.741
2008	0.395	0.228	0.623	0.824	0.521	1.64	3.608
2007	0.380	0.227	0.607	0.949	0.413	1.452	3.421
2006	0.367	0.210	0.577	0.898	0.199	1.333	3.007

* First year of revaluation

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

- a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- b) Rates for debt service are based on each year's requirements.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2015		2005	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
South State, Inc.	\$ 4,926,900	1.57%	\$ 2,360,400	1.49%
Tips Trailer Park, Inc.	3,935,600	1.25%		
Arthur Boss, MK Boss & MB McDowell	2,620,000	0.83%		
Laning Bros Farms, Inc.	2,540,400	0.81%	887,300	0.56%
Cumberland Self Storage, LLC	1,971,700	0.63%	838,400	0.53%
NJ Oak Solar LLC	1,630,200	0.52%		
T Zander & Sons, Inc Profit Sharing	1,525,300	0.49%		
Taxpayer #1	1,231,000	0.39%	848,200	0.54%
Halka Nurseries, Inc.	1,173,900	0.37%		
Taxpayer #2	1,122,200	0.36%	761,600	0.48%
Milner Corp.			2,303,500	1.46%
Miza Pharmaceuticals USA			987,700	0.63%
Eagles Manor			895,400	0.57%
SAC Realty, LLC			658,700	0.42%
Exelon (PSEG)			697,600	0.44%
Total	\$ 22,677,200	7.22%	\$ 11,238,800	7.12%

Source: District CAFR & Municipal Tax Assessor

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,		Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	% of Levy	
2015	\$	1,229,395	\$ 1,229,395	100.00%	\$
2014		1,244,058	1,123,222	90.29%	120,836
2013		1,225,461	1,225,461	100.00%	
2012		1,211,780	1,211,780	100.00%	
2011		1,206,843	1,206,843	100.00%	
2010		1,066,648	1,066,648	100.00%	
2009		1,051,515	1,051,515	100.00%	
2008		1,005,185	1,005,185	100.00%	
2007		933,996	933,996	100.00%	
2006		762,116	762,116	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of	
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Personal Income ^a	Per Capita ^a
2015	\$ 4,485,000	\$	\$	\$	\$ 4,485,000	1.9%	\$ 699
2014	4,926,000				4,926,000	2.0%	760
2013	5,246,000				5,246,000	2.2%	801
2012	5,551,000				5,551,000	2.3%	837
2011	5,846,000				5,846,000	2.6%	935
2010	6,131,000				6,131,000	2.9%	989
2009	4,336,000				4,336,000	2.1%	705
2008	4,536,000				4,536,000	2.3%	748
2007	4,726,000				4,726,000	2.5%	784
2006	4,891,000				4,891,000	2.7%	1,079

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b) Includes Early Retirement Incentive Plan (ERIP) refunding

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 4,485,000	\$	\$ 4,485,000	1.53%	\$ 699
2014	4,926,000		4,926,000	1.60%	760
2013	5,246,000		5,246,000	1.63%	801
2012	5,551,000		5,551,000	1.72%	837
2011	5,846,000		5,846,000	1.80%	910
2010	6,131,000		6,131,000	1.88%	964
2009	4,336,000		4,336,000	1.49%	637
2008	4,536,000		4,536,000	1.60%	671
2007	4,726,000		4,726,000	2.27%	699
2006	4,891,000		4,891,000	2.42%	723

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a) See Exhibit NJ J-6 for property tax data.

b) Population data can be found in Exhibit NJ J-14.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Fairfield Township	\$ 2,940,232	100.00%	\$ 2,940,232
Other Debt			
Regional School District	9,287,000	18.08%	1,678,764
County of Cumberland - Township Share	65,661,474	3.548%	2,329,876
Subtotal, Overlapping Debt			6,948,871
Fairfield Township School District Direct Debt			4,485,000
Total Direct and Overlapping Debt			\$ 11,433,871

Sources: Fairfield Township Finance Officer and Cumberland County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Fairfield. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

- a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized Valuation Basis	
	2014	\$ 292,375,023
	2013	308,124,915
	2012	314,945,724
	[A]	\$ 915,445,662
Average Equalized Valuation of Taxable Property	[A/3]	\$ 305,148,554
Debt Limit (3% of Average Equalization Value)	[B]	9,154,457
Net Bonded School Debt		4,485,000
Legal Debt Margin	[B-C]	\$ 4,669,457

Fiscal Year,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 5,399,210	\$ 6,099,398	\$ 7,220,520	\$ 8,391,152	\$ 9,172,594	\$ 9,347,809	\$ 9,401,299	\$ 9,401,299	\$ 9,475,900	\$ 9,154,457
Total Net Debt Applicable to Limit	4,981,000	4,726,000	4,536,000	4,336,000	6,131,000	5,846,000	5,551,000	5,551,000	4,926,000	4,485,000
Legal Debt Margin	\$ 418,210	\$ 1,373,398	\$ 2,684,520	\$ 4,055,152	\$ 3,041,594	\$ 3,501,809	\$ 3,850,299	\$ 3,850,299	\$ 4,549,900	\$ 4,669,457
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	92%	77%	63%	52%	67%	63%	59%	59%	52%	49%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a) Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year		Population ^a		Personal Income (Thousands of Dollars) ^b		Per Capita Personal Income ^c		Unemployment Rate ^d
2015	*	6,416	\$	241,624,295	\$	37,659		11.50%
2014		6,481		241,648,460		37,286		14.30%
2013		6,550		241,803,141		36,917		14.80%
2012		6,630		242,333,130		36,551		22.60%
2011		6,427		228,544,120		35,560		20.30%
2010		6,362		220,055,218		34,589		17.80%
2009		6,804		227,450,916		33,429		16.8%
2008		6,762		221,354,070		32,735		10.0%
2007		6,761		210,665,999		31,159		8.2%
2006		6,764		270,384,136		39,974		9.1%
2005		6,746		193,495,518		28,683		7.9%

* Estimate

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

	2015		2006	
Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
NOT AVAILABLE				

Source:

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	37.7	41.0	39.0	58.0	59.0	49.0	51.0	51.0	51.0	54.0
Special Education	13.3	11.0	11.0	12.0	12.0	15.0	18.0	21.0	18.0	21.0
Other Special Education	2.9	2.0	2.0	2.0	2.0	2.0				
Vocational										
Other Instruction	8.6	3.0	4	1	1	1				
Support Services:										
Tuition										
Student & Instruction Related Services	8.9	8.9	5.0	6.3	7.3	8.2	8.0	5.0	4.7	6.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.2	2.0	2.0	3.0
School Administrative Services	4.1	4.1	5.0	2.1	2.1	2.8	5.0	5.0	5.0	4.0
Business Administrative Services	2.0	2.0	0.5	2.5	2.5	2.2		1.8	2.5	2.8
Plant Operations and Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Security									1.3	2.0
Pupil Transportation	1.0	1.0	0.5	0.5	0.5	0.2	0.2	0.2	0.2	0.2
Food Service										
Total	<u>81.5</u>	<u>76.0</u>	<u>70.0</u>	<u>87.4</u>	<u>89.4</u>	<u>83.4</u>	<u>85.4</u>	<u>87.0</u>	<u>85.6</u>	<u>94.0</u>

Source: District Personnel Records

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						K-8	Middle School				
2015	626	\$ 9,360,869	\$ 14,953	-0.79%	63	9.1:1		629.9	597.89	2.76%	94.92%
2014	620	9,344,606	15,072	-1.54%	57	10.9:1		613.0	586.5	2.52%	95.68%
2013	602	9,214,801	15,307	10.59%	60	10.1:1		598.0	571.7	-0.03%	95.62%
2012	613	8,484,927	13,842	0.12%	60	10.2:1		598.1	576.1	-3.20%	96.32%
2011	616	8,515,923	13,825	-10.77%	61	10.1:1		617.9	590.1	4.34%	95.50%
2010	585	9,063,675	15,493	14.58%	87	6.7 : 1		592.2	557.6	-5.36%	94.16%
2009	622	8,410,521	13,522	1.92%	73	8.57:1		625.7	591.4	3.27%	94.52%
2008	607	8,052,774	13,267	2.16%	50	12.1 : 1		605.9	576.1	4.21%	95.09%
2007	590	7,661,671	12,986	-5.37%	57	10.4 : 1		581.4	559.1	9.55%	96.16%
2006	538	7,382,618	13,722	2.46%	52	9.8 : 1	11 : 1	530.7	510.3	1.45%	96.16%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- * Schools combined beginning with the 2006/2007 School Year

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>										
Fairfield Primary School (1956)										
Square Feet	21,711	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (Students)	307	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	274	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Middle School</u>										
Fairfield Middle School (1976)										
Square Feet	31,004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (Students)	246	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	264	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Fairfield Township School</u>										
Square Feet		75,590	100,594	100,594	100,594	100,594	100,594	100,594	100,594	100,594
Capacity (Students)		566	607	622	622	622	622	622	622	622
Enrollment		546	607	622	585	616	613	602	620	626

Number of Schools at June 30, 2015

 Elementary = 0

 Middle School = 0

 Combined = 1

* The Fairfield Primary and Middle Schools were combined into one new building beginning in the 2006/2007 School Year

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Fairfield Twp. Primary School	\$			\$	\$	\$	\$	\$	\$	\$	\$ 28,309
Fairfield Twp. Middle School											10,227
Fairfield Township School *	100,594	58,092	47,257	58,279	44,555	47,657	42,188	38,287	52,966	31,156	
Total School Facilities		58,092	47,257	58,279	44,555	47,657	42,188	38,287	52,966	31,156	38,536
Other Facilities											
Grand Total		\$ 58,092	47,257	\$ 58,279	\$ 44,555	\$ 47,657	\$ 42,188	\$ 38,287	\$ 52,966	\$ 31,156	\$ 38,536

* The Fairfield Primary and Middle Schools were combined into one new building beginning in the 2006/2007 School Year

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
(UNAUDITED)

The Board of Education of the Township of Fairfield is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF).

The GCSSDJIF is a Joint Insurance Fund as defined under the Provisions of NJSA 18A:18B 1-10. The Fund was formed by its member districts on July 1, 1998 to provide a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. It achieves this goal by pooling together member district resources, deciding on what insurance coverage/s it will offer and/or purchase and at what retention, and by hiring professionals to run the Fund.

The Fund's underwriting includes workers' compensation, property, general liability, automobile liability, crime, educator's legal liability, boiler and machinery, and pollution legal liability insurances.

The coverage provided to members of the GCSSDJIF for the period of July 1, 2014 to June 30, 2015 are as follows:

2014-2015

I. Property, Inland Marine and Automobile Physical Damages

A. Limit of Liability:	\$150,000,000 Per Occurrence
1. GCSSDJIF Self Insured Retention	250,000 Per Occurrence
2. Member District Deductible	500 Per Occurrence
3. Perils Included	"All Risk"
B. Property Valuation	
1. Buildings and Contents	Replacement Cost
2. Contractors Equipment	Actual Cash Value
3. Automobiles	Replacement Cost

II. Boiler and Machinery

A. Limit of Liability	125,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	1,000

III. Crime

A. Limits of Liability	500,000
1. GCSSDJIF Self Insured Retention	250,000
2. Member District Deductible	500

IV. General and Automobile Liability

A. Limit of Liability:	15,000,000
1. GCSSDJIF Self Insured Retention (SIR)	250,000
2. Member District Deductible	None

V. Workers' Compensation

A. Limits of Liability:	Statutory
1. GCSSDJIF Self Insured Retention	250,000
2. Member District Deductible	None

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
(UNAUDITED)

VI. Educator's Legal Liability	
A. Limits of Liability:	15,000,000
1. GCSSDJIF Self Insured Retention	100,000
2. Member District Deductible	None
VII. Pollution Legal Liability	
A. Limits of Liability:	3,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	25,000
VII. Cyber Liability	
A. Limits of Liability:	1,000,000
1. GCSSDJIF Self Insured Retention	None
2. Member District Deductible	25,000

Excess and Reinsurance Carriers Involved

Property and Crime

SPELLJIF, Selective Ins. Co. of America
Axis Surplus Insurance Company
Westchester Surplus Lines Ins. Co.
Alterra Excess & Surplus Ins. Co.
Ironshore Specialty Ins. Co.
Steadfast Inc. Co.
RSUI Indemnity Company
Liberty Surplus Insurance Corp.
James River Insurance Co.
Maiden Specialty Insurance Co.
Arch Specialty Insurance Co.

General Liability and Automobile Liability
Worker's Compensation
Educator's Legal Liability

SPELLJIF, Selective Ins. Co. of America
SPELLJIF, Selective Ins. Co. of America
SPELLJIF, Selective Ins. Co. of America

Group Purchase of Primary Insurance Coverage Carrier Array

Boiler and Machinery
Pollution Legal Liability
Cyber Liability

Travelers Insurance Company
AIG/Commerce and Industry Insurance, Co.
Lloyd's of London

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

November 23, 2015

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Fairfield Township School District
County of Cumberland, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Fairfield Township School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education of the Fairfield Township School District's basic financial statements and have issued our report thereon dated November 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fairfield Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fairfield Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fairfield Township Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* and in the separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be material weaknesses, labeled 2015-1, 2015-2, 2015-3, 2015-5, and 2015-6.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, additional material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fairfield Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and is described in the accompanying *Schedule of Findings and Questioned Costs* and in the separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be material weaknesses, labeled 2015-4 and 2015-7.

Fairfield Township's Response to Findings

Fairfield Township's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Fairfield Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Fairfield Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,
NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

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Fax (856) 728-2245
www.colavita.net

November 23, 2015

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Fairfield Township School District
County of Cumberland, New Jersey

Report on Compliance for Each Major Program

We have audited the Board of Education of the Fairfield Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Fairfield Township School District's major federal and state programs for the fiscal year ended June 30, 2015. The Fairfield Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Fairfield Township Board of Education's major federal and state compliance based on our audit of the types of compliance requirements referred above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Fairfield Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Fairfield Township Board of Education's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, the Fairfield Township School District's Board of Education, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08 and is described in the accompanying *Schedule of Findings and Questioned Costs* and in the separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, labeled 2015-8. Our opinion on each major federal and state program is not modified with respect to this matter.

Fairfield Township School District's Board of Education's response to the noncompliance finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Fairfield Township School District's Board of Education's responses and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the Fairfield Township School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Fairfield Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fairfield Township School District's Board of Education's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08.

This report is intended solely for the information and use of the audit committee, management, the Fairfield Township Board of Education, the New Jersey State Department of Education, other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,
NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read "Raymond Colavita", is written over the printed name.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Grant or State Project Number	Program or Award Amount	Grant Period From/To	June 30, 2014			Cash Received	Budgetary Expenditures	Adjust	June, 30, 2015		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor
U S Department of Education General Fund:													
U.S. Department of Agriculture Passed through State Department of Education													
Food Distribution Program	10.565	N/A	\$ 25,263	7/1/14-6/30/15				\$ 25,263	\$ (21,203)			\$ 4,060	
Food Distribution Program	10.565	N/A	22,408	7/1/13-6/30/14		\$ 909			(909)				
National School Lunch Program	10.555	N/A	231,426	7/1/14-6/30/15				207,784	(231,426)		\$ (23,642)		
National School Lunch Program	10.555	N/A	236,987	7/1/13-6/30/14	\$ (48,372)			48,372					
Summer Program	10.559	N/A	12,017	7/1/14-6/30/15				12,017	(12,017)				
National School Snack Program	10.555	N/A	2,537	7/1/14-6/30/15				2,537	(2,537)				
National School Snack Program	10.555	N/A	1,749	7/1/13-6/30/14	(16)			16					
School Breakfast Program	10.553	N/A	140,912	7/1/14-6/30/15				126,095	(140,912)		(14,817)		
School Breakfast Program	10.553	N/A	134,392	7/1/13-6/30/14	(27,144)			27,144					
Total U.S. Department of Agriculture					(75,532)	909		449,228	(409,004)		(38,459)	4,060	
U.S. Department of Education Passed Through State Dept. of Education: Special Education Fund:													
Title I	84.010	NCLB-146015	380,103	7/1/14-6/30/15				169,310	(358,247)		(188,937)		
Title I	84.010	NCLB-146014	354,766	7/1/13-6/30/14	(137,074)			137,074		\$ 3,928		3,928	
Title II - A	84.367A	NCLB-146015	53,036	7/1/14-6/30/15				7,182	(21,670)		(14,488)		
Title II - A	84.367A	NCLB-146014	61,826	7/1/13-6/30/14	(20,352)			20,352					
I.D.E.A. Part B Basic	84.027	IDEA146015	190,471	7/1/14-6/30/15					(190,471)		(190,471)		
I.D.E.A. Part B Basic	84.027	IDEA146014	176,614	7/1/13-6/30/14	(61,450)			61,450					
I.D.E.A. Pre School	84.173	IDEA146015	5,322	7/1/14-6/30/15					(5,322)		(5,322)		
REAP	84.358A	S358A141066	51,278	7/1/14-9/30/15					(48,045)		(48,045)		
Indian Education	84.060	N/A	16,665	9/1/12-8/31/13	(12,506)			12,506					
Total U.S. Department of Education					(231,382)			407,874	(623,755)	3,928	(447,263)	3,928	
Total Federal Financial Awards					\$ (306,914)	\$ 909		\$ 857,102	\$ (1,032,759)	\$ 3,928	\$ (485,722)	\$ 7,988	

See Accompanying Notes to Schedules of Financial Assistance

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT K-4

State Grantor/Program Title	Grant or State Project No.	Program or Award Amount	Grant Period From/To	Balance at June 30, 2014			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Balance at June 30, 2015			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Dept. of Education:															
General Fund:															
Equalization Aid	15-495-034-5120-078	\$ 5,088,222	7/1/14-6/30/15					\$ 4,645,770	\$ (5,088,222)					* \$ (442,452)	\$ 5,088,222
Equalization Aid	14-495-034-5120-078	5,088,222	7/1/13-6/30/14	\$ (444,083)				444,083							
Transportation Aid	15-495-034-5120-014	157,300	7/1/14-6/30/15					143,622	(157,300)		(13,678)			*	157,300
Transportation Aid	14-495-034-5120-014	157,300	7/1/13-6/30/14	(13,729)				13,729						*	
Special Education Aid	15-495-034-5120-089	286,612	7/1/14-6/30/15					261,690	(286,612)		(24,922)			*	286,612
Special Education Aid	14-495-034-5120-089	286,612	7/1/13-6/30/14	(25,015)				25,015						*	
Security Aid	15-495-034-5120-084	166,335	7/1/14-6/30/15					151,871	(166,335)		(14,464)			*	166,335
Security Aid	14-495-034-5120-084	166,335	7/1/13-6/30/14	(14,517)				14,517						*	
Adjustment Aid	15-495-034-5120-085	253,131	7/1/14-6/30/15					231,120	(253,131)		(22,011)			*	253,131
Adjustment Aid	14-495-034-5120-085	253,131	7/1/13-6/30/14	(22,092)				22,092						*	
Under Adequacy Aid	15-495-034-5120-096	41,872	7/1/14-6/30/15					38,231	(41,872)		(3,641)			*	41,872
Under Adequacy Aid	14-100-034-5120-096	41,872	7/1/13-6/30/14	(3,654)				3,654						*	
PARCC Readiness Aid	15-495-034-5120-098	4,940	7/1/14-6/30/15					4,510	(4,940)		(430)			*	4,940
Per Pupil Growth Aid	15-495-034-5120-097	4,940	7/1/14-6/30/15					4,510	(4,940)		(430)			*	4,940
Extraordinary Aid	14-100-034-5120-473	20,392	7/1/13-6/30/14	(20,392)				20,392						*	
Additional Non-Public Transp. Aid	15-495-034-5120-014	2,804	7/1/14-6/30/15						(2,804)		(2,804)			*	2,804
Additional Non-Public Transp. Aid	14-495-034-5120-014	2,997	7/1/13-6/30/14	(2,997)				2,997						*	
Reimb TPAF Soc Sec Contrib	15-495-034-5095-002	255,522	7/1/14-6/30/15					243,136	(255,522)		(12,386)			*	255,522
Reimb TPAF Soc Sec Contrib	14-495-034-5095-002	273,501	7/1/13-6/30/14	(11,901)				11,901						*	
Total General Fund				(558,380)				6,282,840	(6,261,678)		(537,218)			(522,028)	6,261,678
Special Revenue Fund:															
Preschool Education Aid	15-495-034-5120-086	1,401,505	7/1/14-6/30/15				\$303,307	1,261,355	(1,397,817)		(140,150)	\$306,995		*	1,397,817
Preschool Education Aid	14-495-034-5120-086	1,462,440	7/1/13-6/30/14	(146,244)	\$ 303,307		(303,307)	146,244						*	
NJ Nonpublic Aid:															
Chap. 192:															
Transportation	14-100-034-5120-066	167	7/1/13-6/30/14			\$ 167				\$ (167)					
Chap. 193:															
Exam. And Classification	14-100-034-5120-066	319	7/1/13-6/30/14			319				(319)					
Corrective Speech	14-100-034-5120-066	1,562	7/1/13-6/30/14			1,562				(1,562)					
Total Special Revenue Fund				(146,244)	303,307	2,048		1,407,599	(1,397,817)	(2,048)	(140,150)	306,995		(140,150)	1,397,817
Capital Project Fund:															
NJSDA Grant	1460-01-00-0366-01	803,208	2/28/13-Closing	(116,613)				155,373	(38,760)					*	768,587
Total Capital Project Fund				(116,613)				155,373	(38,760)						768,587
State Dept. of Agriculture:															
Enterprise Fund:															
State School Lunch Pgm.	15-100-010-3350-023	5,019	7/1/14-6/30/15					4,395	(5,019)		(624)			*	5,019
State School Lunch Pgm.	14-100-010-3350-023	5,263	7/1/13-6/30/14	(1,292)				1,292							
Total Enterprise Fund				(1,292)				5,687	(5,019)		(624)				5,019
Total State Financial Assistance Subject to OMB 04-04/15-08				\$ (822,529)	\$ 303,307	\$ 2,048		\$ 7,851,499	\$ (7,703,274)	\$(2,048)	\$ (677,992)	\$306,995		\$ (662,178)	\$ 8,433,101
On Behalf TPAF Contributions Not Subject to OMB 04-04/15-08															
On-Behalf TPAF Post Retirement Medical	15-495-034-5095-001	184,688	7/1/14-6/30/15					\$ 184,688	\$ (184,688)						
On-Behalf TPAF Pension Contribution	15-495-034-5095-006	293,192	7/1/14-6/30/15					293,192	(293,192)						
Total State Financial Assistance								\$ 8,329,379	\$ (8,181,154)						

See Accompanying Notes to the Schedules of Financial Assistance

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Fairfield School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,062 for the general fund and \$6,094 for the special revenue fund. See Note 2 (The Notes to Required Supplementary Information) for reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statement on a GAAP basis as presented on the following page:

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015
(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 6,740,620	\$ 6,740,620
Special Revenue Fund	623,755	1,403,911	2,027,666
Capital Project Fund		38,760	38,760
Food Service Fund	409,004	5,019	414,023
Total Awards and Financial Assistance	<u>\$ 1,032,759</u>	<u>\$ 8,188,310</u>	<u>\$ 9,221,069</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Fairfield Township School District had no SDA Loan balance at June 30, 2015 and the New Jersey SDA is no longer holding cash for the project, as they transferred the balance to the District during the year under audit.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution respectively. The amount reported as TPAF Pension Contributions, if any, represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There was one immaterial adjustment reflected on Schedule A in the amount of \$3,928 and no adjustment on Schedule B.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? X yes no
- 2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic
financial statements noted? X yes no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

Type of auditor's report issued on compliance for
major programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with section .510(a) of
Circular A-133? X yes no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title - I

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

Section I - Summary of Auditor's Results (continued)

GMIS Number(s)	Name of State Program
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-096	Under Adequacy Aid
15-495-034-5120-098	PARCC Readiness
15-495-034-5120-097	Per Pupil Growth Aid

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

Finding: 2015-1

Criteria or specific requirement:

It is considered necessary, as well as required, to record adjusting journal entries into the General Ledger and other journals within the accounting software.

Condition:

Numerous adjustments to the general ledger were required to be submitted as part of the audit.

Context:

There were several adjusting journal entries required to be identified and recorded subsequent to year end financial close out.

Effect:

As a result of the above condition, adjusting journal entries were submitted to the Board Office, as of June 30, 2015.

Cause:

A necessary step to analyze the General Ledger account balances was omitted.

Recommendation:

Prior to the year-end close out of the accounting system, various adjustments should be identified and recorded in the general ledger.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

Finding: 2015-2

Criteria or specific requirement:

N.J.S.A. 18A: 17-19 states that the chief school administrator or board designee other than the secretary shall prepare the monthly reconciliation of bank account statements and in conjunction with the secretary take any steps necessary to bring the cash record balance and reconciled bank balance into agreement prior to completion of the secretary's monthly report.

Condition:

The records of the Board Secretary were not in agreement with the reconciled cash balance as determined during the audit.

Context:

The aggregate cash balance of the Governmental Funds were not in agreement with the June 30, 2015 bank reconciliation.

Effect:

As a result of the above condition, adjusting journal entries were identified and submitted to the Board Office, as of June 30, 2015.

Cause:

There were numerous changes at the Board Secretary position, which adversely affected controls over bank reconciliation duties.

Recommendation:

All bank accounts should be properly reconciled and in agreement with the records of the Board Secretary.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

Finding: 2015-3

Criteria or specific requirement:

In accordance with a complete internal control structure over payroll withholdings and deductions, the payroll agency ledger should be properly maintained.

Condition:

The payroll agency ledger was not properly maintained during the year, requiring numerous adjustments to be submitted for recording.

Context:

Numerous entries were recorded in the wrong account and the ledger was not reconciled to the bank account.

Effect:

Internal control was not adequate over the documentation of payroll withholdings and deductions.

Cause:

It did not appear that adequate training and supervision was devoted to the maintenance of the payroll agency ledger.

Recommendation:

Procedures to maintain the payroll agency ledger should be revised, in order to assure that the ledger is properly maintained and analyzed for accuracy. In addition, this task should be assigned to personnel that are properly trained and supervised.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

Finding: 2015-4

Criteria or specific requirement:

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Context:

Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$48,411, as of June 30, 2015.

Effect:

Violation of New Jersey Department of Agriculture requirements.

Cause:

Inadvertent oversight.

Recommendation:

The District should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

Finding: 2015-5

Criteria or specific requirement:

Generally Accepted Accounting Principles for New Jersey School Districts requires that districts maintain a fixed asset accounting system that includes asset descriptions, historical cost, funding source, estimated useful lives, depreciation expense and accumulated depreciation.

Condition:

While the District maintains fixed asset records, the updated report, prepared by an outside appraisal company, was not available for examination in a timely manner and accordingly, the current year amounts were determined and adjusted as part of the audit, based on the previous outside appraisal report.

Context:

Fixed asset reporting is required by GASB 34 and included in the District-wide Financial Statements.

Effect:

Material misstatement of the financial statements would have resulted, pertaining to historical cost and accumulated depreciation on the statement of net position and depreciation expense on the statement of activities, if the adjustments were not made as part of the audit.

Cause:

Inadvertent delay in submission of information.

Recommendation:

Additions and deletions of fixed assets made during the year should be communicated to the outside appraisal company in a more timely manner, in order to acquire an updated fixed asset report for inclusion of information in the Comprehensive Annual Financial Report.

Management's response:

The finding will be addressed in the corrective action plan, as required by the New Jersey Department of Education.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Finding: 2015-6

Criteria or specific requirement:

The N.J. Department of Education, as well as Federal requirements, stipulate that grant wages are to be accurately allocated and recorded in the accounting records of the District, as well as on grant reimbursement reports.

Condition:

Title IIA salaries were not properly recorded in the Special Revenue Fund, resulting in adjustments to be reflected as part of the Audit. This includes allocation of payroll charges between the grant fund and general fund as budget amendments were approved.

Context:

The allocation of grant wages, resulting from amended Title IIA budgets were not properly recorded in the records or on the various reports provided to the Board of Education and N.J. Department of Education.

Effect:

Wages charged to the Title IIA grant and reported for reimbursement were inaccurate, requiring adjustments to be determined and submitted to the business office for recording and reporting purposes.

Cause:

The periodic updating of the wage allocation worksheet, resulting from grant budget amendments was not properly performed for recording in the various records and reports.

Recommendation:

Procedures to record and report Title IIA grant salaries should be reviewed, revised and implemented, in order to assure that the wage allocation worksheet is updated based on amended budgets.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Finding: 2015-7

Criteria or specific requirement:

N.J.S.A. 18A:13-13 states that when a Board of Education does not have a Treasurer, the Board Secretary should have surety bond coverage as determined by the Board. The Board should be guided by a schedule of minimum limits promulgated by the State board. The minimum requirements for the surety bond shall be such percentage of the current year's budget as is required in the schedule set forth in N.J.A.C. 6A:23A-16.4.

Condition:

The Board Secretary did not have surety bond coverage for several months during the 2014-15 School Year.

Context:

The Board Secretary did not have the required surety bond coverage in the amount of \$179,000 for the 2014-15 School Year.

Effect:

The Board Secretary did not have surety bond coverage during the 2014-15 School Year.

Cause:

Inadvertent oversight due to having three different Board Secretaries during the year.

Recommendation:

A review of the District's surety bonds should be conducted, in order to ensure the Board Secretary has adequate coverage in the future.

Management's response:

Management is aware of the finding and agrees with the recommendation.

FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

FEDERAL AWARDS

Finding: 2015-8

Information on the Federal program: Title - I (84.010)

Criteria or specific requirement:

N.J.S.A. 18A:66-90 requires reimbursement of TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds be made within 90 days of year-end and for the correct amount.

Condition:

While the District reimbursed the State for TPAF/FICA payments made on-behalf of the school district within the 90 day statutory period, the District did not accurately calculate the amount due.

Questioned Costs: None.

Context:

The 2014-15 TPAF/FICA reimbursement included Title I wages.

Effect:

The District overpaid the State by \$505.

Cause: Inadvertent oversight.

Recommendation:

Procedures to determine the amount due to the State for TPAF/FICA reimbursement should be reviewed and strengthened, in order to ensure reimbursements are accurately calculated and submitted in a timely manner.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

STATE FINANCIAL ASSISTANCE

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**FAIRFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a) (b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

STATUS OF PRIOR - YEAR FINDINGS

There are no prior year findings.